

# **PUBLIC DISCLOSURE**

March 15, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Amalgamated Bank  
Certificate Number: 622

275 Seventh Avenue  
New York, New York 10001

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
New York Regional Office

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New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION RATING

**INSTITUTION'S CRA RATING:** This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		x	
Low Satisfactory	x		x
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

**The Lending Test is rated Low Satisfactory.**

- Lending levels reflect adequate responsiveness to assessment area credit needs.
- A small percentage of loans are made in the institution's assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different size.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank has made a relatively high level of community development loans.

**The Investment Test is rated High Satisfactory.**

- The bank has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits adequate responsiveness to credit and community economic development needs.
- The bank rarely uses innovative and/or complex investments to support community development initiatives.

**The Service Test is rated Low Satisfactory.**

- Delivery systems are accessible to limited portions of the assessment areas.
- To the extent changes have been made, the bank's record of opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.
- Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals.
- The bank provides a relatively high level of community development services.

## **DESCRIPTION OF INSTITUTION**

### **Background**

Amalgamated Bank (Amalgamated) is a New York State-chartered savings bank established in 1923 and headquartered in New York, New York. Amalgamated operates in two states, New York and California, and in the District of Columbia. Effective March 1, 2021, the bank became a subsidiary of Amalgamated Financial Corporation, headquartered in New York, New York. In May 2018, the bank acquired New Resource Bank headquartered in San Francisco, California.

The FDIC assigned Amalgamated a rating of “Satisfactory” at the prior Community Reinvestment Act (CRA) Performance Evaluation dated January 22, 2018, based on Interagency Large Institution CRA Examination Procedures.

### **Operations**

Amalgamated operates three branch offices in New York, one in California, and one in the District of Columbia. The New York and the District of Columbia branches operate under the Amalgamated Bank name, while the California branch operates under the name New Resource Bank. In addition to the five full-service branches, the bank also operates two commercial banking offices, one in Colorado and one in Massachusetts.

Amalgamated is a full-service lender offering home mortgage, multi-family, commercial, and small business loans. Amalgamated offers various deposit products such as checking, money market, and savings accounts. Alternative banking services include online, telephone, and mobile banking, electronic bill payment, and access to proprietary automated teller machines (ATMs). The bank also offers investment and insurance products through Amalgamated Investment Services.

### **Ability and Capacity**

Based on the bank’s December 31, 2020 Consolidated Report of Condition and Income (Call Report), Amalgamated reported total assets of \$6 billion, total loans of \$3.5 billion, total deposits of \$5.3 billion, and equity capital of \$535.8 million. Loans represent the bank’s primary asset, with 1-4 family residential and multi-family loans representing 35.8 percent and 27.1 percent of the portfolio, respectively. Commercial and industrial loans make up 18.4 percent of the portfolio. These lending activities are concentrated in the bank’s New York assessment area. The following table illustrates the institution’s loan portfolio.

<b>Loan Portfolio Distribution as of December 31, 2020</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	53,664	1.5
Secured by Farmland	2,423	0.1
Secured by 1-4 Family Residential Properties	1,254,531	35.8
Secured by Multifamily (5 or more) Residential Properties	947,607	27.1
Secured by Nonfarm Nonresidential Properties	373,214	10.7
<b>Total Real Estate Loans</b>	<b>2,631,439</b>	<b>75.2</b>
Commercial and Industrial Loans	644,698	18.4
Agricultural Production and Other Loans to Farmers	2,395	0.1
Consumer Loans	189,483	5.4
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	32,064	0.9
<b>Total Loans</b>	<b>3,500,079</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment area.

## **DESCRIPTION OF ASSESSMENT AREAS**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Amalgamated designated the following three separately rated assessment areas within New York, California, and the District of Columbia:

**New York:** The New York assessment area consists of six contiguous counties, including Bronx, Kings, New York, Queens, and Westchester Counties, which are located in the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD) #35614; and Nassau County, which is located in the Nassau County-Suffolk County, NY MD #35004. Both MD #35614 and MD #35004 are within the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) #35620.

**California:** The California assessment area consists of five contiguous counties, including San Francisco and San Mateo Counties, which are located in the San Francisco-San Mateo-Redwood City, CA MD #41884; Alameda and Contra Costa Counties, which are located in the Oakland-Berkeley-Livermore, CA MD #36084; and Marin County, which is located in the San Rafael, CA MD #42034. All three MDs are located within the San Francisco-Oakland-Berkeley, CA MSA #41860.

**District of Columbia:** The District of Columbia assessment area consists of three contiguous counties, including the District of Columbia and Prince George's County, which are located in the Washington-Arlington-Alexandria, DC-VA-MD-WV MD #47894; and Montgomery County, which is located in the Frederick-Gaithersburg-Rockville, MD #23224. Both MD #47894 and MD #23224, are within the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA #47900.

The following table shows the distribution and concentration of loans, deposits, and full-service branches in the individual assessment areas and the combined assessment area.

<b>Assessment Area Breakdown of Loans, Deposits, and Branches</b>						
<b>Assessment Area</b>	<b>Loans</b>		<b>Deposits</b>		<b>Branches</b>	
	\$(000s)	%	\$(000s)	%	#	%
<b>New York</b>	3,113,543	89.2	2,491,174	46.6	3	60.0
<b>California</b>	273,173	7.8	560,939	10.5	1	20.0
<b>District of Columbia</b>	102,185	3.0	2,292,023	42.9	1	20.0
<b>Total</b>	<b>3,488,901</b>	<b>100.0</b>	<b>5,344,136</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>

*Source: Bank Data (12/31/2020)*

Please refer to the Description of Institution's Operations section within each individual assessment area for more detail regarding those areas.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the prior evaluation dated January 22, 2018, to the current evaluation dated March 15, 2021. Examiners used the Interagency Large Institution CRA Examination Procedures to evaluate Amalgamated's CRA performance. These procedures include the Lending, Investment, and Service Tests (see Appendices for complete descriptions). Examiners weighted performance under the Lending Test more heavily than performance under the Investment and Service Tests when arriving at the overall rating.

Examiners conducted a full-scope review of the bank's performance in each of its assessment areas. The New York assessment area received the most weight when determining the overall rating, as this area accounted for a greater proportion of the bank's loans and deposits, as well as three of the bank's five branch office locations.

### **Activities Reviewed**

Examiners reviewed Amalgamated's 1-4 family, multi-family, and small business loans to assess its lending performance, as these loans represent the bank's major product lines based on its business strategy and the number and dollar volume of loans originated or purchased during the evaluation period. Amalgamated originated few farm loans in number and dollar volume during the review period; therefore, the evaluation does not include small farm loan data.

Examiners reviewed the bank's 1-4 family loans for 2018, 2019, and 2020, using data reported pursuant to the Home Mortgage Disclosure Act (HMDA). During the review period, the bank's 1-4 family HMDA activity included 728 loans totaling \$434.7 million in 2018; 751 loans totaling \$460.6 million in 2019; and 838 loans totaling \$452.1 million in 2020. Examiners compared the

bank's 1-4 family HMDA lending to the 2018 and 2019 aggregate HMDA data and the U.S. Census Bureau's 2015 American Community Survey (ACS) data, the most recently available data.

Examiners also analyzed the bank's multi-family loans for 2018, 2019, and 2020, using data reported pursuant to the HMDA. During the review period, the bank's multi-family HMDA activity included 28 loans totaling \$167.5 million in 2018; 30 loans totaling \$163.3 million in 2019; and 18 loans totaling \$92.5 million in 2020. Examiners compared the bank's multi-family HMDA lending to the 2018 and 2019 aggregate multi-family HMDA data and to the 2015 ACS data, the most recently available data.

Examiners reviewed and analyzed all small business loans reported on the 2018, 2019, and 2020 CRA Loan Registers. Small business loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or classified as commercial and industrial loans. The bank reported 39 small business loans totaling \$19.4 million in 2018; 26 small business loans totaling \$19.4 million in 2019; and 16 small business loans totaling \$9 million in 2020. Examiners compared the bank's record of small business lending to Dun & Bradstreet (D&B) demographic data for 2018 and 2019, and to the aggregate small business loan data for 2018 and 2019, the most recently available data.

For the Lending Test, examiners placed greater weight on 1-4 family lending in evaluating Amalgamated's performance within the assessment areas, as the bank originated a greater number and dollar volume of 1-4 family loans compared to multi-family loans and small business loans during the review period. Small farm loans do not represent a major product line and loan volume was minimal during the review period. Therefore, they provided no material support for conclusions and ratings. Additionally, while this evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals or businesses served.

The evaluation of the bank's community development loans, investments, and services includes all qualified activities since the prior evaluation to the current evaluation date of March 15, 2021. The Investment Test includes investments and grants made during the current evaluation period, and the current book value of any qualified investments outstanding from the prior evaluation.

### **Other Information**

The FDIC received one comment letter regarding Amalgamated's CRA performance from a New York City-based community revitalization organization. Examiners considered the information provided by the organization in the analysis and performance conclusions. For additional information, please refer to the comment letter maintained in Amalgamated's CRA Public File.



## **CONCLUSIONS ON PERFORMANCE CRITERIA**

### **LENDING TEST**

Amalgamated's overall Lending Test performance is rated "Low Satisfactory." The bank's adequate performance in the Lending Activity and Geographic Distribution criteria primarily support this rating. The conclusion for the institution's overall performance differs from the rated areas, as the evaluation rated performance in the New York assessment area as "High Satisfactory" and the performance in the California and District of Columbia assessment areas as "Needs to Improve." The bank's performance in the New York rated area contributed the most weight in the overall conclusion and in the conclusions under each performance criteria in the Lending Test.

This section presents Amalgamated's Lending Test performance at the institution level. Refer to the separate assessment area sections for details regarding the bank's performance in those specific areas.

#### **Lending Activity**

Amalgamated's lending levels reflect an adequate responsiveness to assessment area credit needs.

Amalgamated's assets consist primarily of loans. As of December 31, 2020, loans totaled \$3.5 billion and composed 58.6 percent of total assets. Since the prior evaluation, the loan portfolio grew from \$2.7 billion to \$3.5 billion, an increase of 28.3 percent.

The bank's primary lending focus continues to be originating and purchasing loans secured by 1-4 family properties. Amalgamated's growth in 1-4 family loans since the prior evaluation is due primarily to the bank's strategic business decision to accept all loan applications via the Internet, as well as its expansion into new markets in states outside of its assessment areas. The bank also originates multi-family loans, with the majority of that lending occurring in the New York assessment area. Amalgamated also extends small business loans, though at a much lower volume than the residential lending. During 2020, the bank purchased two loan portfolios to support the Paycheck Protection Program (PPP), which included small business loans. However, since detailed information regarding these PPP loans was not available, this performance evaluation does not present data for these loan purchases.

#### **Assessment Area Concentration**

Amalgamated originated a small percentage of its loans in the combined assessment area. During the evaluation period, the bank originated 42.3 percent and 50.8 percent of total loans by number and dollar amount, respectively, within the assessment areas on a combined basis.

The following table shows the distribution of 1-4 family, multi-family, and small business loans by both number and dollar volume during the review period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
1-4 Family										
2018	315	43.3	413	56.7	728	151,094	34.8	283,629	65.2	434,723
2019	251	33.4	500	66.6	751	141,179	30.7	319,384	69.3	460,563
2020	375	44.7	463	55.3	838	208,592	46.1	243,552	53.9	452,144
Subtotal	941	40.6	1,376	59.4	2,317	500,865	37.2	846,565	62.8	1,347,430
Multi-family										
2018	25	89.3	3	10.7	28	158,689	94.8	8,764	5.2	167,453
2019	29	96.7	1	3.3	30	159,925	97.9	3,350	2.1	163,275
2020	17	94.4	1	5.6	18	89,361	96.6	3,150	3.4	92,511
Subtotal	71	93.4	5	6.6	76	407,974	96.4	15,264	3.6	423,238
Small Business										
2018	19	48.7	20	51.3	39	8,723	45.0	10,679	55.0	19,402
2019	5	19.2	21	80.8	26	3,000	15.5	16,391	84.5	19,391
2020	8	50.0	8	50.0	16	3,961	44.0	5,040	56.0	9,001
Subtotal	32	39.5	49	60.5	81	15,684	42.8	32,110	57.2	47,794
Total	1,044	42.3	1,430	57.7	2,474	924,523	50.8	893,939	49.2	1,818,462
Source: Bank Data. Due to rounding, totals may not equal 100.0%.										

As shown in the table, Amalgamated made less than a majority of its total number of loans inside its assessment areas for the review period. Amalgamated's primary loan product is 1-4 family home mortgages, with the bank originating just 40.6 percent by number and 37.2 percent by dollar volume inside the combined assessment area. This is a reflection of the bank's strategy of sourcing 1-4 family loan applications through the Internet, which resulted in more originations from outside the combined assessment area. Although the bank made most of its multi-family loans inside the assessment areas, the comparatively lower number of these loans had little effect on the percentage of total loans made inside the assessment area. The bank also originated less than half of its total small business loans in the combined assessment areas; however, this distribution had little effect on the overall percentage of loans made inside the assessment areas given the relatively low volume of loans.

### **Geographic Distribution**

Amalgamated's geographic distribution of loans reflects adequate penetration throughout its assessment areas. The bank's performance differed among its rated areas, as it achieved a good penetration in its New York assessment area, but a poor penetration in its other assessment areas. Examiners placed the most weight on the bank's good performance in the New York assessment area when arriving at the overall conclusion.

## **Borrower Profile**

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels and business customers of different size. The bank's performance differed among its rated areas, as it achieved an adequate penetration of loans based on borrower profile in its New York assessment area, but had a poor penetration in its other assessment areas. Although examiners weighted the bank's performance in New York more heavily, the overall distribution was nonetheless poor given the less than satisfactory penetration among retail customers of different incomes in both the California and District of Columbia assessment areas. Examiners did not analyze multi-family loans under this performance criterion, as lenders do not collect or report borrower income information for such loans.

## **Innovative or Flexible Lending Practices**

Amalgamated uses innovative and/or flexible lending practices to serve the credit needs of its assessment areas. Since Amalgamated offers most of these products throughout all of its assessment areas, examiners rated and discussed the bank's performance under this criterion at the institution level only.

Since the prior evaluation, the bank introduced three flexible lending programs: the First Home Club, the HomeReady Mortgage program, and the Federal Housing Administration loan program. Notably, the bank ceased offering the State of New York Mortgage Agency (SONYMA) program in 2017.

The table below shows the innovative or flexible lending programs the bank provides. The table does not include programs that the bank implemented recently in response to the Coronavirus Pandemic (COVID-19), which this evaluation discusses separately.

<b>Innovative or Flexible Lending Programs</b>								
<b>Type of Program</b>	<b>2018</b>		<b>2019</b>		<b>2020</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Federal Housing Administration	0	0	4	1,186	1	346	5	1,532
First Home Club/Homebuyers Dream Club	0	0	0	0	1	89	1	89
First Home First Priority	33	9,122	34	8,407	31	6,352	98	23,881
HomeReady Mortgage	--	--	--	--	--	--	--	--
New York City Department of Housing Preservation and Development	--	--	--	--	--	--	--	--
Veterans Administration	--	--	--	--	--	--	--	--
<b>Totals</b>	<b>33</b>	<b>9,122</b>	<b>38</b>	<b>9,593</b>	<b>33</b>	<b>6,787</b>	<b>104</b>	<b>25,502</b>
<i>Source: Bank Data "—" No loans originated or no volume data available</i>								

Below are details of the bank's innovative or flexible lending programs.

#### *Federal Housing Administration (FHA)*

Introduced in 2018, the bank offers FHA loans to borrowers who may need a low down payment option and/or flexible mortgage underwriting guidelines. The program offers low down payment options, lower credit thresholds, and seller paid closing costs. Due to the global pandemic, the bank temporarily suspended this program in 2020.

#### *First Home Club/Homebuyers Dream Club*

Introduced in 2018, the First Home Club changed its name to the Homebuyers Dream Club in 2019. The program is through the Federal Home Loan Bank of New York and is for borrowers purchasing homes in New York, New Jersey, Puerto Rico, or the U.S. Virgin Islands. The program provides up to \$10,000 in grants used towards the down payment and closing costs for first-time homebuyers earning at or below 80.0 percent of the area median income.

#### *First Home First Priority*

Introduced in 2016, this Amalgamated loan program offers qualified first-time homebuyers up to a 0.5 percent discount on an adjustable- or fixed-rate mortgage. The bank offers the loans to qualified first-time homebuyers purchasing a home in the bank's assessment areas and whose income is 80.0 percent or less of the median family income by county, as established by the Federal Financial Institutions Examination Council (FFIEC). Borrowers may also qualify if the new home is located in a low- or moderate-income geography in the bank's assessment areas, with no household income restrictions. Eligible loans are for single-family homes, 2-4 unit properties, condominiums, and co-operatives. In addition to rate discounts, the program features a low five percent down payment, all of which can come from a gift or a grant. Further, the seller can pay up to three percent of the closing costs.

#### *HomeReady Mortgage (Federal National Mortgage Association or Fannie Mae)*

Introduced in 2018, the HomeReady Mortgage program offers qualified homebuyers a conventional fixed-rate mortgage with a down payment as low as three percent. Borrowers may use the loans for the purchase or no cash-out refinance of a single-family property. Qualified borrowers must attend a homebuyer education course prior to closing.

#### *New York City Department of Housing Preservation and Development (HPD)*

Since 2016, the bank has been an approved lender under the HPD HomeFirst Down Payment Assistance Program. HPD's HomeFirst Down Payment Assistance Program provides qualified homebuyers with up to \$25,000 toward the down payment or closing costs on a 1-4 family home, a condominium, or a cooperative in one of the five boroughs of New York City. A prospective homebuyer must be a first-time homebuyer; complete a homebuyer education course taught by an HPD-approved counseling agency; have their own savings to contribute to the down payment or closing costs; and have a household income up to 80.0 percent of the area median income.

#### *Veterans Administration (VA)*

Introduced in 2017, borrowers may obtain a VA loan for the purchase of a home or the refinance of an existing home mortgage. The program requires no down payment and allows financing up to \$453,100, or more if the borrower lives in certain high cost areas, such as New York City. There are no private mortgage insurance requirements. Due to the global pandemic, the bank temporarily suspended this program in 2020.

## **Response to COVID-19 Pandemic**

Amalgamated implemented other lending-related practices that offer flexibility to consumers experiencing financial hardship or duress due to the pandemic. Below are examples of the bank's flexible loan programs and practices regarding the pandemic:

- SBA's Paycheck Protection Program (PPP): Amalgamated participated in the PPP, which is an emergency loan program developed by the federal government to provide financial relief and assistance to small businesses experiencing financial hardship and duress due to the pandemic. The PPP financing features a 100.0 percent SBA loan guarantee on loans up to \$10 million. Additionally, businesses pay a below-market fixed interest rate of 1.0 percent over a two-year term, which can be fully forgiven if the business retains the required minimum percentage of workers on the payroll.
- COVID-19 Loan Modifications: Amalgamated provided relief for its borrowers affected by the COVID-19 pandemic through loan modifications. These modifications included features such as deferral of principal and interest payments, deferral of escrow payments, and a waiver of certain loan payment late fees. The bank also utilized a Hardship Agreement, which is a short-form modification agreement that allowed certain borrowers to receive a modification without the need for their own legal representation, which helped the borrower save costs in this process.

## **Community Development Loans**

Amalgamated made a relatively high level of community development loans. The bank's performance differed between the assessment areas, as the institution had a high level of community loans in its New York and District of Columbia assessment areas, and an adequate level in its California assessment area. The bank's performance in its New York assessment area received the most emphasis, followed by the District of Columbia and then California. Refer to the Lending Test section for each of the bank's assessment areas for a detailed discussion of its community development lending activity within those areas.

This evaluation assessed the bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness. For affordable housing loans, examiners did not give community development credit for any multi-family loan secured by distressed or deteriorated properties, if applicable, which includes loans secured by buildings with excessive code violations that do not provide quality affordable housing.

During the evaluation period, the bank originated 75 community development loans totaling \$350.4 million throughout its assessment areas on a combined basis. This level of activity represents 5.9 percent of total assets (\$6 billion) and 10.0 percent of total loans (\$3.5 billion), as of December 31, 2020. This performance reflects an increase in the number of loans since the previous evaluation, which reported 66 community development loans. However, the lending represents a decrease by dollar volume since the previous evaluation, which reported \$376.5 million in community development loans representing 9.3 percent of total assets and 13.8 percent of total loans, as of June 30, 2017.

Amalgamated's community development loans primarily helped finance affordable housing initiatives and community services for low- and moderate-income persons, consistent with the needs identified by community contacts. The following table illustrates the community development lending activity by rated area for each community development purpose.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New York	28	202,120	11	18,650	3	12,000	0	0	42	232,770
California	3	8,250	8	16,350	0	0	0	0	11	24,600
District of Columbia	16	73,012	5	5,050	1	15,000	0	0	22	93,062
<b>Total</b>	<b>47</b>	<b>283,382</b>	<b>24</b>	<b>40,050</b>	<b>4</b>	<b>27,000</b>	<b>0</b>	<b>0</b>	<b>75</b>	<b>350,432</b>
<i>Source: Bank Data</i>										

## INVESTMENT TEST

Amalgamated's overall Investment Test performance is rated "High Satisfactory." The bank's significant level of qualified community development investments and grants primarily supports this rating. Amalgamated's overall Investment Test performance was consistent with the conclusions for the New York and California rated areas, and exceeded the performance in the District of Columbia assessment area. The bank's performance in its New York rated area contributed the most weight when arriving at conclusions for each performance criteria in the Investment Test.

This section presents Amalgamated's Investment Test performance at the institution level. Refer to the separate assessment area sections for details regarding the bank's performance in those specific areas.

### Investment and Grant Activity

Amalgamated has a significant level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

During the evaluation period, the bank reported 142 qualified investments and grants totaling \$102.4 million, which includes 22 new investments totaling \$83.5 million, 22 outstanding prior period investments with a current balance of \$18.5 million, and 98 grants totaling \$440,000. The total qualified investments and grants of \$102.4 million represent 2.0 percent of average total assets and 7.2 percent of average total securities. Total qualified investment by dollar volume increased since the prior evaluation, which reported 234 total qualified investments totaling \$59.6 million.

The California rated assessment area accounted for the greatest share of qualified investments by dollar volume at 54.7 percent, followed by the New York assessment area at 22.3 percent, and the District of Columbia assessment area at 10.3 percent. The remaining 12.7 percent of qualified investments were in the broader regional/statewide area around the New York assessment area. Approximately 85.5 percent of the dollar volume of the bank's total qualified investments supported

affordable housing, which included primarily mortgage-backed securities (MBS). Most of the remaining investments funded community services.

The table below details the institution's qualified investments and grants by community development activity and area.

Qualified Investments by Rate Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New York	22	22,582	58	204	1	1	6	6	87	22,793
California	12	41,494	8	14,536	3	7	0	0	23	56,037
District of Columbia	6	10,482	5	71	1	1	0	0	12	10,554
Regional Activities	20	13,009	0	0	0	0	0	0	20	13,009
<b>Total</b>	<b>60</b>	<b>87,567</b>	<b>71</b>	<b>14,811</b>	<b>5</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>142</b>	<b>102,393</b>
<i>Source: Bank Data</i>										

### **Responsiveness to Credit and Community Development Needs**

Amalgamated exhibits adequate responsiveness to the credit and community development needs of the assessment area. The bank's qualified investments primarily promoted affordable housing efforts, which is a community development need within the assessment areas.

### **Community Development Initiatives**

The bank rarely uses innovative and/or complex investments to support community development initiatives. The majority of Amalgamated's new investments consist of Federal National Mortgage Association MBS, which are not particularly innovative or complex.

## **SERVICE TEST**

The Service Test is rated "Low Satisfactory." Amalgamated's good performance in the Community Development Services criterion primarily supports this rating. The conclusions regarding the overall performance were consistent with the conclusions for each assessment area. For comments regarding the bank's performance in each of the performance criteria, refer to the separate assessment area discussions within this evaluation.

### **Accessibility of Delivery Systems**

Given Amalgamated's relatively small branch office network and the large geographic area it serves (14 counties with 4,156 census tracts on a combined basis), the bank's delivery systems are accessible to limited portions of the assessment areas. The table below details the distribution of the bank's branch office and ATM network by census tract income.

<b>Branch and ATM Distribution by Geography Income Level</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	517	12.4	2,358,297	13.6	1	20.0	1	11.1
Moderate	988	23.8	4,304,683	24.8	2	40.0	4	44.5
Middle	1,287	31.0	5,337,913	30.7	1	20.0	2	22.2
Upper	1,262	30.4	5,270,904	30.4	1	20.0	2	22.2
NA	102	2.5	91,445	0.5	0	0.0	0	0.0
<b>Total</b>	<b>4,156</b>	<b>100.0</b>	<b>17,363,242</b>	<b>100.0</b>	<b>5</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

As shown in the table above, Amalgamated operates five full-service branch offices and nine ATMs throughout its assessment areas, including three branch offices and five ATMs located in low- and moderate-income tracts. While the percentage of the bank's branches in the low- and moderate-income tracts compares favorably to the demographics, access is somewhat limited given the relatively small office network in comparison to the large number of census tracts served. Although access to physical locations is limited, the bank offers alternative delivery systems that provide access to its products and services in all geographies, including low- and moderate-income areas. These delivery systems include online, mobile, and telephone banking, as well as free access to the Allpoint ATM network.

### **Changes in Branch Locations**

To the extent changes have been made, the bank's opening and closing of branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income areas or to low- and moderate-income individuals.

During the evaluation period, the bank did not open any new branch offices, though it obtained one branch through its acquisition of New Resource Bank in California. Notably, Amalgamated closed nine branches during the review period, all in the New York assessment area. Of the closed branches, two were in low-income tracts, one was in a moderate-income tract, two were in middle-income tracts, and four were in upper-income tracts. While the closed branches were primarily located in middle- and upper-income census tracts, the overall reduction to the branch structure had an adverse effect on low- and moderate-income areas and individuals.

### **Reasonableness of Business Hours and Services**

Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or individuals. Amalgamated's service hours and its loan and deposit products are substantially similar throughout the individual assessment areas. Additionally, the bank offers the following low-cost demand deposit accounts and interest bearing accounts in each of its assessment areas.



- *Affordable Checking* – A non-interest bearing transaction account with no minimum deposit to open and no monthly maintenance fees or minimum balance requirements.
- *Restart Checking* – A non-interest bearing transaction account with no minimum deposit to open and no monthly maintenance fees or minimum balance requirements. This account is designed for customers that have had balances charged off. After a year of successful account usage, the account is converted to an Affordable Checking account.
- *Convenience + Checking* – A tiered, variable rate, interest-bearing transaction account with no minimum deposit to open. Customers can set up a monthly direct deposit or maintain a minimum balance of \$10 to avoid monthly maintenance fees.
- *Restart Savings* – An interest bearing savings account with no minimum deposit to open and no monthly maintenance fees or minimum balance requirements. This account is designed for customers that have had balances charged off. After a year of successful account usage, the account is converted to a Convenience Savings account.
- *Convenience Savings* – A tiered, variable rate, interest-bearing account with no minimum deposit to open and no monthly maintenance fees for minimum balance requirements.

In addition, in response to COVID-19, Amalgamated implemented deposit-related practices that lowered costs for consumers experiencing financial hardship or duress due to the pandemic, including:

- waiving overdraft protection fees,
- waiving insufficient funds fees, and
- waiving early withdrawal penalties for certificate of deposits (CDs).

### **Community Development Services**

Amalgamated provides a relatively high level of community development services within its combined assessment areas. The bank's directors, officers, and employees participated in 310 instances of providing financial expertise or technical assistance to community development-related organizations. This represents an increase from the 263 instances provided during the prior evaluation period. The bank's community development services primarily focused on community services and affordable housing. Notably, community development services in 2020 decreased compared to prior years; however, this was primarily due to the COVID-19 pandemic, which limited in-person events.

The table below details the institution's community development services by community development activity and area.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
New York	54	199	2	1	256
California	3	5	19	0	27
District of Columbia	0	27	0	0	27
<b>Total</b>	<b>57</b>	<b>231</b>	<b>21</b>	<b>1</b>	<b>310</b>
<i>Source: Bank Data</i>					

## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

## NEW YORK

### CRA RATING FOR NEW YORK: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

Amalgamated operates three of its five branches (60.0 percent) and six of its nine ATMs (66.6 percent) in the New York assessment area.

This assessment area consists of six contiguous counties, including the Bronx, Kings, New York, Queens, Westchester, and Nassau Counties. The Bronx, Kings, New York, Queens, and Westchester Counties are located in the New York-Jersey City-White Plains, Metropolitan Division (MD) (#35614), while Nassau County is located in the Nassau County-Suffolk County, NY MD (#35004). Both MDs are part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) (#35620). Since the previous evaluation, the bank removed a number of counties from its assessment area, including Richmond and Rockland Counties in New York, and Bergen, Essex, Hudson, Passaic, and Union Counties in New Jersey.

The assessment area contains 2,564 census tracts, with income designations as follows:

- 299 low-income census tracts
- 616 moderate-income census tracts
- 813 middle-income census tracts
- 759 upper-income census tracts
- 77 census tracts with no income designation

### Economic and Demographic Data

The table below provides select demographic characteristics of the New York assessment area.

Demographic Information New York Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,564	11.7	24.0	31.7	29.6	3.0
Population by Geography	10,276,189	14.2	26.1	29.7	29.6	0.4
Housing Units by Geography	4,081,377	12.9	24.2	28.2	34.4	0.3
Owner-Occupied Units by Geography	1,441,322	2.7	13.5	37.6	46.1	0.2
Occupied Rental Units by Geography	2,288,935	19.8	31.0	23.0	25.9	0.3
Vacant Units by Geography	351,120	10.2	23.2	24.1	42.2	0.3
Businesses by Geography	1,069,692	7.1	17.9	25.7	47.1	2.2
Farms by Geography	7,527	4.0	15.0	32.0	48.1	1.0
Family Distribution by Income Level	2,318,101	29.6	16.0	16.1	38.3	0.0
Household Distribution by Income Level	3,730,257	30.3	14.5	15.4	39.8	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY		\$108,193	Median Housing Value			\$534,095
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$67,560	Median Gross Rent			\$1,358
			Families Below Poverty Level			14.9%
Source: 2015 ACS and 2020 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.						

The table above shows that the median housing value is significantly higher than the median family income across the assessment area. Therefore, lenders may find it challenging to make affordable housing loans. In addition, the 14.9 percent of families living below the poverty level also limits the pool of available borrowers, as families living below the poverty line are unlikely to qualify for conventional home mortgage loans.

The table below shows the median family income ranges for the MDs represented in the assessment area.

Median Family Income Ranges New York Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Nassau County-Suffolk County, NY MD Median Family Income (35004)</b>				
2018 (\$116,700)	<\$58,350	\$58,350 to <\$93,360	\$93,360 to <\$140,040	≥\$140,040
2019 (\$124,000)	<\$62,000	\$62,000 to <\$99,200	\$99,200 to <\$148,800	≥\$148,800
2020 (\$126,600)	<\$63,300	\$63,300 to <\$101,280	\$101,280 to <\$151,920	≥\$151,920
<b>New York-Jersey City-White Plains, NY-NJ MD Median Family Income (35614)</b>				
2018 (\$78,000)	<\$39,000	\$39,000 to <\$62,400	\$62,400 to <\$93,600	≥\$93,600
2019 (\$79,300)	<\$39,650	\$39,650 to <\$63,440	\$63,440 to <\$95,160	≥\$95,160
2020 (\$81,800)	<\$40,900	\$40,900 to <\$65,440	\$65,440 to <\$98,160	≥\$98,160
<i>Source: FFIEC</i>				

According to 2020 D&B data, there were 1,069,692 businesses operating in the assessment area. The businesses had gross annual revenues (GARs) as follows:

- 90.8 percent had GARs of \$1 million or less
- 4.4 percent had GARs greater than \$1 million
- 4.8 percent did not report revenues

Service industries represented the greatest percentage of businesses in the assessment area at 36.1 percent, followed by non-classifiable establishments at 27.8 percent and retail trade at 11.6 percent. In addition, 57.5 percent of the businesses had four or fewer employees, and 94.1 percent operated out of a single location.

According to data obtained from Moody's Analytics, the top employers in the assessment area include Northwell Health, Montefiore Health System, Mount Sinai Health System, JPMorgan Chase, and New York City Health & Hospitals.

The table below shows unemployment data for the assessment and statewide area. According to the data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates New York Assessment Area			
Area	November 2018	November 2019	November 2020
	%	%	%
Bronx County	5.3	4.7	16.0
Kings County	4.0	3.5	12.1
Nassau County	2.9	3.4	5.5
New York County	3.4	3.0	9.3
Queens County	1.4	2.9	11.7
Westchester County	3.2	3.6	5.8
New York State	3.5	3.4	8.3
National Average	3.8	3.6	6.7
Source: Bureau of Labor Statistics			

## **Competition**

The assessment area is a highly competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 130 financial institutions operated 2,233 offices within the bank's assessment area.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 438 lenders reported 124,833 1-4 family loans originated or purchased totaling \$67.3 billion in the assessment area. Large national banks, including JPMorgan Chase Bank, N.A., Wells Fargo Bank N.A., and Citibank, N.A., dominate the assessment area. Collectively, these lenders represented 28.3 percent of all 1-4 family loan originations and purchases in 2019.

The assessment area is also a highly competitive market for multi-family loans. According to 2019 aggregate data, 124 lenders originated or purchased 4,017 multi-family loans totaling \$28.8 billion in the assessment area. The two most prominent multi-family lenders, JPMorgan Chase and New York Community Bank, accounted for 34.8 percent of the total market share by number of loans.

Significant competition also exists for small business loans within the area. According to 2019 aggregate data, 261 lenders reported 359,704 small business loans originated or purchased in the assessment area. The two most prominent small business lenders, American Express National Bank and JPMorgan Chase, accounted for 62.1 percent of total market share by number of loans.

### **Community Contact**

Examiners conducted a community contact with a representative from a social services organization active in Bronx County, New York. The contact identified a need for additional bank branches in the area, and observed that more than one financial institution recently closed branches in the community they serve. These closures have had a significant impact on the community, which has limited access to financial services otherwise. The contact particularly noted a significant impact on senior citizens in the area, who are not very mobile and therefore cannot travel far to go to other bank branches. The contact also noted that the area is one of several in the city that recently underwent a rezoning process, which resulted in new residential and commercial development. There is a need for financial services in the area in order to retain existing residents and to attract businesses and residents to the area.

### **Credit and Community Development Needs and Opportunities**

Based on information from the community contact, bank management, and the demographic and economic data, the ongoing credit needs in the AA are affordable housing and access to financial services to revitalize and stabilize low- and moderate-income areas.

## **SCOPE OF EVALUATION – NEW YORK**

Examiners used full-scope examination procedures to evaluate the bank's performance in the New York assessment area. Examiners reviewed the bank's 1-4 family, multi-family, and small business loans. Examiners placed more weight on the bank's 1-4 family lending performance, as this loan type had the greatest number of loans in the assessment area. Multi-family lending received slightly less weight, although examiners considered that the dollar volume of multi-family loans was greater than 1-4 family loans in the assessment area. Refer to the overall Scope of Evaluation for the institution for additional detail.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW YORK**

### **LENDING TEST**

Amalgamated is rated “High Satisfactory” for the Lending Test in the New York assessment area. The bank’s good performance in the Lending Activity and Geographic Distribution criterion, as well as its relatively high level of community development lending, primarily support this conclusion.

#### **Lending Activity**

Amalgamated’s lending levels reflect good responsiveness to the credit needs of the New York assessment area. Examiners based this conclusion on the bank’s good responsiveness for 1-4 family and multi-family loans in the assessment area.

Amalgamated’s primary product in this assessment area is 1-4 family loans. The bank reported 253 1-4 family loans for \$103.1 million within this area in 2018, 162 1-4 family loans totaling \$63.1 million in 2019, and 223 1-4 family loans for \$98.1 million in 2020. In 2019, the most recent year with available aggregate data, Amalgamated ranked 96<sup>th</sup> out of 438 lenders that reported a 1-4 family loan origination or purchase in the assessment area, with a 0.1 percent market share.

Amalgamated also extends multi-family loans in this assessment area. The bank reported 19 multi-family loans totaling \$144 million in this area during 2018, 23 multi-family loans totaling \$127.4 million in 2019, and 10 multi-family loans totaling \$60.9 million in 2020. In 2019, Amalgamated ranked 25<sup>th</sup> out of 124 lenders that reported a multi-family loan origination or purchase in the assessment area, with a 0.6 percent market share.

Amalgamated also makes small business loans in this assessment area, though at a much lower volume than the residential lending by both number and dollar volume. The bank originated or purchased two small business loans totaling \$1 million in this area in 2018, three small business loans totaling \$1.8 million in 2019, and one small business loan totaling \$500,000 in 2020. According to the 2019 aggregate small business loan data, Amalgamated ranked 133<sup>rd</sup> out of 261 lenders that reported a small business loan origination or purchase in the assessment area, with a less than 0.1 percent market share.

#### **Geographic Distribution**

The geographic distribution of the bank’s lending activity reflects good penetration throughout this assessment area. Examiners based this conclusion primarily on Amalgamated’s 1-4 family lending performance, since 1-4 family loans represent the bank’s primary product line.

#### ***1-4 Family Loans***

The geographic distribution of 1-4 family loans reflects good penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans New York Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	3.5	4.9	18	7.1	9,752	9.5
2019	2.7	3.6	14	8.6	7,149	11.3
2020	2.7	--	6	2.7	2,877	2.9
Moderate						
2018	15.6	16.5	72	28.5	25,725	25.0
2019	13.5	13.8	47	29.0	12,763	20.2
2020	13.5	--	51	22.9	15,769	16.1
Middle						
2018	38.3	36.8	59	23.3	17,100	16.6
2019	37.6	36.5	46	28.4	17,198	27.3
2020	37.6	--	68	30.5	29,644	30.2
Upper						
2018	42.5	41.7	104	41.1	50,485	49.0
2019	46.1	45.9	55	34.0	25,959	41.2
2020	46.1	--	97	43.5	49,329	50.3
Not Available						
2018	0.2	0.2	0	0.0	0	0.0
2019	0.2	0.2	0	0.0	0	0.0
2020	0.2	--	1	0.4	508	0.5
Totals						
2018	100.0	100.0	253	100.0	103,062	100.0
2019	100.0	100.0	162	100.0	63,069	100.0
2020	100.0	--	223	100.0	98,126	100.0

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

As shown in the table above, the bank's performance of 1-4 family loans in the low-income tracts in both 2018 and 2019 exceeded the demographics and the aggregate performance. In 2020, lending in the low-income tracts decreased, but the lending as a percentage of total loans was similar to the demographics. Despite a decrease in lending by number of loans since 2018, the bank's distribution of 1-4 family loans in the low-income tracts is good.

The bank's percentage of 1-4 family loans in the moderate-income census tracts in 2018 and 2019 exceeded the demographics and the aggregate performance. In 2020, lending in the moderate-income tracts continued to exceed the demographics. The bank's distribution of 1-4 family loans in the moderate-income tracts is good.



## Multi-family Loans

The geographic distribution of multi-family loans reflects good penetration throughout the assessment area. The following table details the geographic distribution of multi-family loans by tract income level.

Geographic Distribution of Multi-family Loans New York Assessment Area						
Tract Income Level	% of Multi-family Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	19.0	12.7	1	5.3	11,000	7.6
2019	19.0	10.0	6	26.1	45,300	35.5
2020	19.0	--	3	30.0	16,200	26.6
Moderate						
2018	26.4	34.5	8	42.1	66,216	46.0
2019	26.4	31.4	9	39.1	37,285	29.3
2020	26.4	--	4	40.0	31,743	52.1
Middle						
2018	18.6	35.5	5	26.3	28,638	19.9
2019	18.6	37.3	5	21.7	26,600	20.9
2020	18.6	--	0	0.0	0	0.0
Upper						
2018	35.6	17.1	5	26.3	38,133	26.5
2019	35.6	21.3	3	13.0	18,250	14.3
2020	35.6	--	3	30.0	12,990	21.3
Not Available						
2018	0.4	0.1	0	0.0	0	0.0
2019	0.4	0.1	0	0.0	0	0.0
2020	0.4	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>19</b>	<b>100.0</b>	<b>143,986</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>127,435</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>--</b>	<b>10</b>	<b>100.0</b>	<b>60,933</b>	<b>100.0</b>
Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

As shown in the table above, the bank's performance in the low-income tracts was less than the aggregate level and the demographics in 2018, but exceeded those measures in 2019. Additionally, the bank's performance in 2020 exceeded the demographics. As a result, the bank's distribution of multi-family loans in the low-income tracts is good.

The percentage of multi-family loans in the moderate-income census tracts in 2018, 2019, and 2020, exceeded both the demographic comparison and the aggregate performance, as applicable. Overall, the bank's distribution of multi-family loans in the moderate-income tracts is good.

### ***Small Business Loans***

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. During the evaluation period, the bank had no loans in the low-income tracts and just one small business loan in a moderate-income tract. The following table details the geographic distribution of small business loans by tract income level.

<b>Geographic Distribution of Small Business Loans New York Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2018	8.9	9.1	0	0.0	0	0.0
2019	7.0	7.4	0	0.0	0	0.0
2020	7.1	--	0	0.0	0	0.0
Moderate						
2018	17.8	17.7	0	0.0	0	0.0
2019	18.0	17.6	1	33.3	500	28.6
2020	17.9	--	0	0.0	0	0.0
Middle						
2018	25.7	25.2	0	0.0	0	0.0
2019	26.2	25.8	0	0.0	0	0.0
2020	25.7	--	0	0.0	0	0.0
Upper						
2018	45.3	46.0	2	100.0	1,010	100.0
2019	46.6	47.1	2	66.7	1,250	71.4
2020	47.1	--	1	100.0	1,000	100.0
Not Available						
2018	2.2	1.9	0	0.0	0	0.0
2019	2.1	2.1	0	0.0	0	0.0
2020	2.2	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>1,010</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>1,750</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>--</b>	<b>1</b>	<b>100.0</b>	<b>1,000</b>	<b>100.0</b>
<i>Source: 2018, 2019 &amp; 2020 D&amp;B Data; Bank Data; 2018 &amp; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

## **Borrower Profile**

The bank's distribution of borrowers reflects adequate penetration among retail customers of different income levels and businesses of different size within this assessment area. Examiners based this conclusion primarily on the bank's 1-4 family lending performance, as small business lending does not represent a primary product line of the bank. Examiners did not analyze multi-family loans for this performance criterion, as lenders do not collect or report borrower income for such loans.

### ***1-4 Family Loans***

The distribution of borrowers reflects adequate penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Loans by Borrower Income Level New York Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	29.6	2.3	4	1.6	408	0.4
2019	29.6	2.3	3	1.9	284	0.5
2020	29.6	--	2	0.9	282	0.3
Moderate						
2018	16.0	8.4	28	11.1	5,107	5.0
2019	16.0	8.3	19	11.7	3,054	4.8
2020	16.0	--	22	9.9	4,423	4.5
Middle						
2018	16.1	17.9	62	24.5	16,124	15.6
2019	16.1	17.8	38	23.5	9,167	14.5
2020	16.1	--	59	26.5	16,999	17.3
Upper						
2018	38.3	54.0	140	55.3	64,849	62.9
2019	38.3	55.6	102	63.0	50,565	80.2
2020	38.3	--	124	55.6	61,245	62.4
Not Available						
2018	0.0	17.4	19	7.5	16,575	16.1
2019	0.0	16.0	0	0.0	0	0.0
2020	0.0	--	16	7.2	15,178	15.5
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>253</b>	<b>100.0</b>	<b>103,062</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>162</b>	<b>100.0</b>	<b>63,069</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>--</b>	<b>223</b>	<b>100.0</b>	<b>98,126</b>	<b>100.0</b>

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

As shown in the table, the distribution of the bank's 1-4 family loans to low-income borrowers in 2018 and 2019 was less than the demographic comparison, but was more in line with the aggregate performance. Since the aggregate data is generally a better indicator of demand, the evaluation gave more weight to this comparison. The bank's lending to low-income borrowers declined further in 2020, and was at a level below the demographics. Overall, the bank had limited lending to low-income borrowers during the review period; however, the census data shows a high level of poverty of 14.9 percent in this assessment area, which limits opportunities to make loans to low-income borrowers. Therefore, the overall distribution of 1-4 family loans to low-income borrowers is adequate.

Although the bank's percentage of 1-4 family loans among moderate-income borrowers in 2018, 2019, and 2020 was below the demographics, its lending levels exceeded the aggregate performance

in 2018 and 2019, which examiners consider a better indicator of demand. During the evaluation period, the percentage of 1-4 family loans among moderate-income borrowers was relatively consistent. The overall distribution of 1-4 family loans to moderate-income borrowers is adequate.

### ***Small Business Loans***

The distribution of borrowers reflects very poor penetration of small business loans among business customers of different sizes. The bank did not originate any small business loans to businesses with GARs of \$1 million or less by number of loans during the evaluation period.

### **Community Development Loans**

The bank has made a relatively high level of community development loans in the assessment area. During the evaluation period, the bank originated 42 loans for \$232.8 million in the assessment area. These loans helped meet the assessment area's community development needs as identified by the community contact. This activity level represents a decrease since the prior evaluation, which reported 54 community development loans for approximately \$336.6 million. The following table illustrates the community development lending activity by year and purpose.

<b>Community Development Lending New York Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2018	7	63,090	1	450	1	2,000	0	0	9	65,540
2019	13	93,650	6	7,200	1	5,000	0	0	20	105,850
2020	8	45,380	4	11,000	1	5,000	0	0	13	61,380
YTD 2021	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>202,120</b>	<b>11</b>	<b>18,650</b>	<b>3</b>	<b>12,000</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>232,770</b>
<i>Source: Bank Data</i>										

The following is a sample of community development loans that benefit the assessment area.

- In 2018, the bank originated an \$11 million loan to a limited liability company (LLC) for a 115-unit apartment building in a low-income census tract in Bronx County, New York. Of the 115 units, 110 units (95.6 percent) have rents below the fair market rents established by the Department of Housing and Urban Development (HUD). This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2019, the bank originated a \$10 million loan to a LLC to refinance four apartment buildings with 75 total units in a low-income census tract in Kings County, New York. The borrower used additional loan proceeds to make capital improvements to the subject property. Each property is under Section 8 of the National Housing Act, and all units are HUD regulated low-income housing. This loan supports affordable housing for low- and moderate-income families in the assessment area.

- In 2020, the bank renewed a \$2 million line of credit to a skilled nursing facility located in a moderate-income census tract in Queens County, New York, to provide working capital. The nursing facility offers a comprehensive spectrum of medical, nursing, and rehabilitative care for elderly, chronically ill, and recovering patients. The nursing facility allocates 200 of its 314 beds to Medicaid recipients. This line of credit supports community services for low- and moderate-income families in the assessment area.

## INVESTMENT TEST

Amalgamated is rated “High Satisfactory” in the Investment Test for the New York assessment area. Amalgamated’s significant level of qualified community development investments and grants primarily supports this conclusion.

### Investment and Grant Activity

Amalgamated has a significant level of qualified community development investments and grants in its New York assessment area. During the evaluation period, Amalgamated reported 87 qualified investments and grants totaling \$22.8 million in this assessment area, which includes three new investments totaling \$7.5 million, three outstanding prior period investments with a current balance of \$15 million, and 81 grants totaling \$323,000. The bank had an additional 20 qualified investments in the broader regional/statewide area totaling \$13 million, for a grand total of \$35.8 million. Together, the activity in the regional/statewide area and the New York assessment area represents 35.0 percent of the bank’s total qualified investments in its assessment areas on a combined basis. This performance reflects a decrease in the number of qualified investments and grants since the previous evaluation, which reported 40 qualified investments totaling \$44.8 million and 158 donations totaling \$602,235.

The table below details the institution’s qualified investments and grants by year and community development purpose.

Qualified Investments New York Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	21	17,978	0	0	0	0	0	0	21	17,978
2018	2	5,500	0	0	0	0	0	0	2	5,500
2019	2	6,000	0	0	0	0	0	0	2	6,000
2020	1	6,000	0	0	0	0	0	0	1	6,000
<b>Subtotal</b>	<b>26</b>	<b>35,478</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>35,478</b>
Qualified Grants & Donations	16	113	58	204	1	1	6	6	81	324
<b>Total</b>	<b>42</b>	<b>35,591</b>	<b>58</b>	<b>204</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>	<b>107</b>	<b>35,802</b>
<i>Source: Bank Data</i>										

Notable examples of the bank's investment and grant activity include:

- In 2018, the bank purchased a \$5 million portion of a MBS secured by three properties in Kings County, New York, all of which provide affordable housing for residents of the area.
- In 2019, the bank purchased a \$2 million portion of a MBS secured by a multi-family property located in Bronx County, New York, that provides affordable housing for residents of a low-income area.
- In 2020, the bank donated \$3,000 to a non-profit organization that helps provide affordable housing and other services to residents of Bronx County, New York.

### **Responsiveness to Credit and Community Development Needs**

Amalgamated's qualified investments and donations exhibit adequate responsiveness to the credit and community development needs of the New York assessment area. The bank's qualified investments mainly supported affordable housing and economic development, which are demonstrated community development needs in the area.

### **Community Development Initiatives**

Amalgamated rarely uses complex investments to support community development initiatives. The bank's existing and new investments primarily include MBS. Although MBS investments help promote affordable housing, they are not innovative or complex.

## **SERVICE TEST**

Amalgamated is rated "Low Satisfactory" in the Service Test for the New York assessment area. The bank's community development services performance and its record of opening and closing branches primarily contributed to this conclusion.

### **Accessibility of Delivery Systems**

Given Amalgamated's relatively small branch office network and the large area served (six counties with 2,564 census tracts), delivery systems are accessible to limited portions of the assessment area. The following table illustrates the distribution of the bank's branches and ATMs by geography income level.

Branch and ATM Distribution by Geography Income Level New York Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	299	11.7	1,463,168	14.2	0	0.0	0	0.0
Moderate	616	24.0	2,680,548	26.1	1	33.3	2	33.3
Middle	813	31.7	3,054,464	29.7	1	33.3	2	33.3
Upper	759	29.6	3,037,780	29.6	1	33.3	2	33.3
NA	77	3.0	40,229	0.4	0	0.0	0	0.0
<b>Total</b>	<b>2,564</b>	<b>100.0</b>	<b>10,276,189</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

As shown in the table, the bank operates three full-service branches and six ATMs in this assessment area. Although Amalgamated has no branches in the low-income tract, it has one branch and two ATMs in the moderate-income census tracts. Overall, the branch structure has a higher concentration of branches in middle- and upper-income areas, which is not as convenient for businesses and residents in the low-income areas. Additionally, access is somewhat limited overall given the relatively small office network in comparison to the large number of census tracts served. Although access to physical locations is limited, the bank offers other alternative delivery systems to provide access to its products and services for all geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as access to the Allpoint ATM network.

### **Changes in Branch Locations**

To the extent changes have been made, the bank's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Amalgamated closed nine branches in the assessment area during the review period:

- two branches (22.2 percent) in low-income census tracts,
- one branch (11.1 percent) in a moderate-income census tract,
- two branches (22.2 percent) in middle-income census tracts, and
- four branches (44.5 percent) in upper-income census tracts.

The branch closures reflect the bank's change in strategy to reduce expenses by limiting the branch network and expanding online operations. While the majority of the closed branches were located in middle- and upper-income census tracts, the closed branches nonetheless had an adverse effect on low- and moderate-income areas and low- and moderate-income individuals. Notably, the bank closed both of its branches located in low-income census tracts. Based on community contact data and other publicly available information, examiners determined that the closure of these branches had a significant adverse impact on the low- and moderate-income residents of these areas. In addition, the bank closed a branch on Roosevelt Island, an island that is part of New York County. Although it was located in an upper-income tract, this branch was the only bank branch located on the island. While the bank has expanded its online offerings to reduce the impact of the closures, these online services do not completely mitigate the effects of the closure of branches in these areas.



Examiners also noted that four of the closed branches were Banking Development District (BDD) branches, as designated by the New York State Department of Financial Services. The BDD program encourages the establishment of bank branches in underserved areas where there is a demonstrated need for banking services. Many of the individuals living and working in these BDD areas have limited access to traditional banking services. The Bedford-Stuyvesant Branch, which still operates in Kings County, was also a designated BDD branch. However, the bank fully exited the BDD program in 2020, and the branch no longer has the BDD designation.

### **Reasonableness of Business Hours and Services**

Services and hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. Business hours vary slightly by branch according to the assessment area needs; however, branches are generally open from 9:00 a.m. to 4:00 p.m. Monday, Tuesday, Wednesday, and Friday, with extended evening hours on Thursday until 6:00 p.m. All three branches also offer additional hours on Saturday, generally from 9:00 a.m. to 2:00 p.m.

As previously noted, the bank provides a variety of deposit products such as checking and savings accounts and certificates of deposit (CDs). The bank also offers a variety of loan products, including home mortgage loans, home equity loans, and commercial loans. Alternative banking services include telephone, online, and mobile banking, as well as access to six proprietary ATMs and the Allpoint ATM network.

The bank also offers a New York City Kids Rise Save for College savings account in the assessment area. This program assists families regardless of income or immigration status with saving for college by providing scholarship funds.

Lastly, as discussed previously, the bank offers a variety of other low-cost savings and checking accounts for bank customers throughout this assessment area, which are particularly beneficial for low- and moderate-income individuals. Refer to the Overall Service Test section for details.

### **Community Development Services**

Amalgamated provides a relatively high level of community development services within its New York assessment area. During the evaluation period, bank employees engaged in 256 instances of community development service activities in this assessment area. This represents a slight increase from the 243 instances provided during the prior evaluation period. The bank's community development services primarily focused on community services and affordable housing.

The table below summarizes the bank's community development services by year and purpose.

Community Development Services New York Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	30	97	1	1	129
2019	14	75	1	0	90
2020	9	27	0	0	36
YTD 2021	1	0	0	0	1
<b>Total</b>	<b>54</b>	<b>199</b>	<b>2</b>	<b>1</b>	<b>256</b>
<i>Source: Bank Data</i>					

The following is a sample of community development services that benefit the assessment area.

- In 2018, 2019, and 2020, five bank employees presented a total of 16 financial literacy events at a community center located in a low-income census tract in Bronx County, New York. The center provides services for the local community, including youth services and a food pantry.
- In 2018, Amalgamated hosted four first-time homebuyer events at its branches in partnership with a local affordable housing organization. The organization focuses on supporting affordable housing throughout the greater New York City metropolitan area.
- A vice president of the bank served on the Board of Directors of a community services center located in a moderate-income census tract in Kings County, New York. The officer's service and technical expertise helped the organization provide educational, health, and community services to low- and moderate-income families.
- The former president and chief executive officer continued to serve as a Board member of an organization that represents low-income consumers in utility, telecommunications, and energy-related matters seeking to advance universal service, affordability, and consumer protection, up until his resignation in early 2021.
- A senior vice president of the bank served on the Board of Directors of a community services organization located in a low-income census tract in Queens County, New York. The officer's service and technical expertise helped the organization provide community services to low- and moderate-income families.

## CALIFORNIA

### CRA RATING FOR CALIFORNIA: NEEDS TO IMPROVE

The Lending Test is rated: Needs to Improve

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

Amalgamated operates one of its five branches (20.0 percent) and one of its nine ATMs (11.1 percent) in the California assessment area.

As a result of the merger with New Resource Bank, the bank expanded its assessment area since the previous evaluation to include five counties in California. This assessment area consists of San Francisco, San Mateo, Alameda, Contra Costa, and Marin Counties. San Francisco and San Mateo Counties are in the San Francisco-San Mateo-Redwood City, CA MD (# 41884); Alameda and Contra Costa Counties are located in the Oakland-Berkeley-Livermore, CA MD (#36084); and Marin County is located in the San Rafael, CA MD (#42034). The assessment area is centered around the San Francisco metropolitan area, and is situated entirely within the San Francisco-Oakland-Berkeley, CA MSA.

The assessment area contains 980 census tracts, with income designations as follows:

- 116 low-income census tracts
- 208 moderate-income census tracts
- 300 middle-income census tracts
- 339 upper-income census tracts
- 17 census tracts with no income designation

### Economic and Demographic Data

The table below provides select demographic characteristics of the California assessment area.

Demographic Information California Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	980	11.8	21.2	30.6	34.6	1.7
Population by Geography	4,528,894	11.2	21.6	33.1	33.6	0.5
Housing Units by Geography	1,763,363	11.1	20.8	32.5	35.1	0.6
Owner-Occupied Units by Geography	890,161	4.6	16.9	34.5	43.9	0.1
Occupied Rental Units by Geography	770,060	17.9	25.1	30.5	25.4	1.0
Vacant Units by Geography	103,142	16.1	21.5	30.1	31.2	1.2
Businesses by Geography	430,527	11.4	17.0	29.1	41.7	0.8
Farms by Geography	5,913	7.8	18.1	33.4	40.5	0.3
Family Distribution by Income Level	1,046,725	24.4	16.0	18.1	41.5	0.0
Household Distribution by Income Level	1,660,221	26.3	14.7	16.1	42.9	0.0
Median Family Income MSA - 36084 Oakland-Berkeley-Livermore, CA		\$93,822	Median Housing Value			\$648,815
Median Family Income MSA - 41884 San Francisco-San Mateo-Redwood City, CA		\$103,742	Median Gross Rent			\$1,526
Median Family Income MSA - 42034 San Rafael, CA		\$121,130	Families Below Poverty Level			7.4%
Source: 2015 ACS and 2020 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.						

The table above shows that the median housing value is significantly higher than the median family income across the assessment area. Therefore, lenders may find it challenging to make affordable housing loans. In addition, the 7.4 percent of families living below the poverty level also limits the pool of available borrowers, as families living below the poverty line are unlikely to qualify for conventional home mortgage loans.

The table below shows the median family income ranges for the MDs in the assessment area.

Median Family Income Ranges California Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>Oakland-Hayward-Berkeley, CA MD Median Family Income (36084)</b>				
2018 (\$104,400)	<\$52,200	\$52,200 to <\$83,520	\$83,520 to <\$125,280	≥\$125,280
2019 (\$111,700)	<\$55,850	\$55,850 to <\$89,360	\$89,360 to <\$134,040	≥\$134,040
2020 (\$119,200)	<\$59,600	\$59,600 to <\$95,360	\$95,360 to <\$143,040	≥\$143,040
<b>San Francisco-Redwood City-South San Francisco, CA Median Family Income (41884)</b>				
2018 (\$116,400)	<\$58,200	\$58,200 to <\$93,120	\$93,120 to <\$139,680	≥\$139,680
2019 (\$133,800)	<\$66,900	\$66,900 to <\$107,040	\$107,040 to <\$160,560	≥\$160,560
2020 (\$140,900)	<\$70,450	\$70,450 to <\$112,720	\$112,720 to <\$169,080	≥\$169,080
<b>San Rafael, CA MD Median Family Income (42034)</b>				
2018 (\$134,800)	<\$67,400	\$67,400 to <\$107,840	\$107,840 to <\$161,760	≥\$161,760
2019 (\$151,000)	<\$75,500	\$75,500 to <\$120,800	\$120,800 to <\$181,200	≥\$181,200
2020 (\$159,300)	<\$79,650	\$79,650 to <\$127,440	\$127,440 to <\$191,160	≥\$191,160
Source: FFIEC				

According to 2020 D&B data, there were 430,527 businesses operating in the assessment area. The businesses had gross annual revenues (GARs) as follows:

- 87.5 percent had GARs of \$1 million or less
- 5.0 percent had GARs greater than \$1 million
- 7.5 percent did not report revenues

Service industries represented the greatest percentage of businesses in the assessment area at 42.6 percent, followed by non-classifiable establishments at 20.0 percent and retail trade at 11.1 percent. In addition, 62.1 percent of the businesses had four or fewer employees, and 91.0 percent operated out of a single location.

According to data obtained from Moody's Analytics, the top employers in the assessment area include Kaiser Permanente, University of California - San Francisco, University of California - Berkeley, Western Digital, and Salesforce.com.

The table below shows unemployment data for the assessment area and statewide area. According to the data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

Unemployment Rates California Assessment Area			
Area	November 2018	November 2019	November 2020
	%	%	%
Alameda County	2.9	2.7	6.8
Contra Costa County	3.1	2.8	6.8
Marin County	2.3	2.1	4.7
San Francisco County	2.2	2.0	5.7
San Mateo County	2.1	1.9	5.1
California State	4.0	3.9	8.3
National Average	3.8	3.6	6.7
<i>Source: Bureau of Labor Statistics</i>			

## **Competition**

The assessment area is a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 68 financial institutions operated 1,012 offices within the bank's assessment area.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 703 lenders reported 172,858 1-4 family loans originated or purchased totaling \$104.3 billion in the assessment area. Large national banks, including Wells Fargo Bank, N.A., Bank of America, N.A., and Quicken Loans, dominate the assessment area. Collectively, these lenders represented 26.4 percent of all 1-4 family loan originations and purchases in 2019.

Significant competition also exists for small business loans within the area. According to 2019 aggregate data, 261 lenders reported 359,704 small business loans originated or purchased in the assessment area. The two most prominent small business lenders, American Express National Bank and JPMorgan Chase, accounted for 62.1 percent of total market share by number of loans.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the area's credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs.

Examiners conducted a community contact interview with a representative from a community development organization serving this assessment area. The contact identified a need for more affordable housing developments and housing assistance for residents facing economic uncertainty due to the pandemic. The contact noted that despite the pandemic, housing prices continue to rise in the area. The increased housing costs, combined with the expiration of pandemic-related forbearance options and eviction moratorium, may soon cause a housing crisis. The contact noted that following the removal of the pandemic eviction and foreclosure moratorium, many will be facing eviction and foreclosure. The contact also stated that financial institutions should provide funding to support affordable housing development, instead of investors seeking to convert distressed properties into market rate housing developments.

### **Credit and Community Development Needs and Opportunities**

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing represents the primary credit need, as homelessness continues to rise in the assessment area and the demand for affordable housing units far outweighs the current supply. The high median value of housing within the assessment area supports this conclusion.

## **SCOPE OF EVALUATION – CALIFORNIA**

Examiners used full-scope examination procedures to evaluate the bank's performance in the California assessment area. Examiners reviewed 1-4 family lending and small business lending, but placed the most weight on the bank's 1-4 family lending performance, as this represented its primary product in the state of California. Multi-family lending is not a primary product of the bank in the state of California assessment area, and provided no material support for conclusions and ratings in this assessment area. Refer to the overall Scope of Evaluation for the institution for additional detail.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN CALIFORNIA**

### **LENDING TEST**

Amalgamated is rated “Needs to Improve” in the Lending Test in California. The bank’s poor performance in the Geographic Distribution and Borrower Profile criteria primarily supports this conclusion.

#### **Lending Activity**

Amalgamated’s lending levels reflect adequate responsiveness to the credit needs of the California assessment area. Examiners based this conclusion on the bank’s adequate responsiveness for 1-4 family loans in the area.

Amalgamated’s primary product in this assessment area is 1-4 family loans. The bank reported 40 1-4 family loans totaling \$32.8 million within the area in 2018, 68 loans totaling \$64.1 million in 2019, and 108 loans totaling \$86.6 million in 2020. During 2019, Amalgamated ranked 193<sup>rd</sup> out of 703 lenders that reported a 1-4 family loan origination or purchase in the assessment area, with a less than 0.1 percent market share.

Amalgamated also extends small business loans in this area, though at a much lower volume than the 1-4 family loans. The bank originated or purchased 14 small business loans totaling \$5.7 million in this area in 2018, 1 small business loan for \$250,000 in 2019, and three small business loans totaling \$1.9 million in 2020. According to the 2019 aggregate small business loan data, Amalgamated ranked 133<sup>rd</sup> out of 261 lenders that reported a small business loan origination or purchase in the assessment area, and had a less than 0.1 percent market share.

#### **Geographic Distribution**

The geographic distribution of Amalgamated’s lending activity reflects poor penetration throughout the assessment area. Examiners based this conclusion primarily on Amalgamated’s 1-4 family lending performance, since 1-4 family loans represent the bank’s most significant product line within the assessment area.

#### ***1-4 Family Loans***

The geographic distribution of 1-4 family loans reflects poor penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans California Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	4.6	5.9	0	0.0	0	0.0
2019	4.6	5.3	2	2.9	1,175	1.8
2020	4.6	--	3	2.8	1,778	2.1
Moderate						
2018	16.9	18.3	0	0.0	0	0.0
2019	16.9	17.3	5	7.4	3,420	5.3
2020	16.9	--	7	6.5	3,575	4.1
Middle						
2018	34.5	34.0	12	30.0	7,934	24.2
2019	34.5	34.1	16	23.5	12,933	20.2
2020	34.5	--	23	21.3	16,610	19.2
Upper						
2018	43.9	41.5	27	67.5	24,460	74.6
2019	43.9	43.1	45	66.2	46,571	72.7
2020	43.9	--	73	67.6	63,321	73.1
Not Available						
2018	0.1	0.3	1	2.5	400	1.2
2019	0.1	0.3	0	0.0	0	0.0
2020	0.1	--	2	1.9	1,361	1.6
Totals						
2018	100.0	100.0	40	100.0	32,794	100.0
2019	100.0	100.0	68	100.0	64,099	100.0
2020	100.0	--	108	100.0	86,645	100.0

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

As shown in the table above, the bank's performance in the low-income tracts was below the demographics and the aggregate level during all three years reviewed. While examiners noted that the low percentage of owner-occupied housing units in the low-income tracts indicates limited opportunities to make loans in those areas, the aggregate data nonetheless shows that there is some home mortgage loan demand in those tracts. Therefore, the bank's performance was poor.

The percentage of 1-4 family loans originated by the bank within the moderate-income census tracts was significantly below the demographic comparison and the aggregate level during the evaluation period. The aggregate performance data shows that there are opportunities to originate loans in the moderate-income areas, which supports the conclusion that the bank's performance was poor.



### Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The following table details the geographic distribution of small business loans by tract income level.

Geographic Distribution of Small Business Loans California Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	11.4	9.8	5	35.7	2,557	44.8
2019	11.1	10.0	0	0.0	0	0.0
2020	11.4	--	1	33.3	1,000	52.9
Moderate						
2018	17.1	18.0	4	28.6	2,111	37.0
2019	16.9	17.9	1	100.0	250	100.0
2020	17.0	--	1	33.3	600	31.7
Middle						
2018	29.4	30.4	1	7.1	225	3.9
2019	29.2	30.9	0	0.0	0	0.0
2020	29.1	--	0	0.0	0	0.0
Upper						
2018	41.3	41.1	4	28.6	820	14.4
2019	41.9	40.6	0	0.0	0	0.0
2020	41.7	--	1	33.3	290	15.3
Not Available						
2018	0.8	0.7	0	0.0	0	0.0
2019	0.8	0.7	0	0.0	0	0.0
2020	0.8	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>5,713</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>250</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>--</b>	<b>3</b>	<b>100.0</b>	<b>1,890</b>	<b>100.0</b>
Source: 2018, 2019 & 2020 D&B Data; Bank Data; 2018 & 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.						

As shown in the table above, the bank's small business lending performance in the low-income tracts significantly exceeded the business demographics and the aggregate performance in 2018. However, the bank made no small business loans in the low-income tracts in 2019. While the bank made just one small business loan in the low-income tracts in 2020, its performance exceeded the business demographics as a percentage of total lending.

The bank's performance of small business lending in the moderate-income tracts significantly exceeded business demographics and the aggregate performance in 2018, 2019, and 2020, as applicable.

Based on the comparisons to demographics and the aggregate data, the bank's distribution of small business loans is good. However, examiners placed little weight on this performance due to the low volume of lending overall.

### **Borrower Profile**

Amalgamated's distribution of borrowers reflects poor penetration among retail customers of different income levels and business customers of different size. Examiners based this conclusion mainly on the bank's 1-4 family lending performance, as 1-4 family loans represent the primary product line in this assessment area.

#### ***1-4 Family Loans***

The distribution of borrowers reflects poor distribution of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.

Distribution of 1-4 Loans by Borrower Income Level California Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	24.4	4.1	0	0.0	0	0.0
2019	24.4	3.6	0	0.0	0	0.0
2020	24.4	--	0	0.0	0	0.0
Moderate						
2018	16.0	9.9	0	0.0	0	0.0
2019	16.0	10.3	0	0.0	0	0.0
2020	16.0	--	2	1.9	866	1.0
Middle						
2018	18.1	17.3	0	0.0	0	0.0
2019	18.1	18.5	7	10.3	4,320	6.7
2020	18.1	--	8	7.4	3,880	4.5
Upper						
2018	41.5	56.5	18	45.0	16,975	51.8
2019	41.5	56.0	61	89.7	59,779	93.3
2020	41.5	--	67	62.0	59,979	69.2
Not Available						
2018	0.0	12.2	22	55.0	15,819	48.2
2019	0.0	11.6	0	0.0	0	0.0
2020	0.0	--	31	28.7	21,920	25.3
Totals						
2018	100.0	100.0	40	100.0	32,794	100.0
2019	100.0	100.0	68	100.0	64,099	100.0
2020	100.0	--	108	100.0	86,645	100.0

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

As shown in the table, the bank did not originate any 1-4 family loans among low-income borrowers in 2018, 2019, or 2020. The aggregate performance of 4.1 percent and 3.6 percent in 2018 and 2019, respectively, suggests there is an opportunity for lenders in the assessment area to provide financing to low-income borrowers. As a result, the bank's lending to low-income borrowers is poor.

Additionally, the bank did not originate any 1-4 family loans to moderate-income borrowers in 2018 and 2019. In 2020, the bank originated two 1-4 family loans to moderate-income borrowers, or 1.9 percent, which was significantly below the demographics. As a result, the bank's lending to moderate-income borrowers is poor.

### ***Small Business Loans***

The distribution of borrowers reflects very poor penetration of small business loans among business customers of different sizes. The bank did not originate any small business loans to businesses with GARs of \$1 million or less during the evaluation period.

### **Community Development Loans**

The bank made an adequate level of community development loans in the California assessment area. During the evaluation period, the bank originated 11 loans for \$24.6 million in the assessment area. These loans helped meet the assessment area's community development needs as identified by the community contact. The following table illustrates the community development lending activity by year and purpose.

<b>Community Development Lending California Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2018	2	8,000	2	5,250	0	0	0	0	4	13,250
2019	1	250	4	2,000	0	0	0	0	5	2,250
2020	1	4,100	1	5,000	0	0	0	0	2	9,100
YTD 2021	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>12,350</b>	<b>7</b>	<b>12,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>24,600</b>
<i>Source: Bank Data</i>										

The following is a sample of community development loans that benefit the assessment area.

- In 2018, the bank originated a \$2 million loan for the acquisition of two three-story buildings with 12 total units in a moderate-income census tract in San Francisco County, California. Eight of the twelve units have rents below the HUD fair market rent. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2019, the bank originated a \$4.1 million loan to refinance a 23-unit co-living community building in a low-income census tract in San Francisco County, California. Of the 23 units, 12 have rents below the published HUD fair market rent for the area. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2020, the bank renewed a \$5 million revolving line of credit to a community development financial institution (CDFI). The organization provides a bridge between private capital markets and low-income neighborhoods for investment in housing, childcare, education, and other community-building initiatives. This loan supports community services for low- and moderate-income families in the assessment area.

## INVESTMENT TEST

Amalgamated is rated “High Satisfactory” in the Investment Test for the California assessment area. The bank’s significant level of qualified investments and grants primarily supports this conclusion.

### Investment and Grant Activity

Amalgamated has a significant level of qualified community development investments and grants in its California assessment area. During the evaluation period, Amalgamated reported 23 qualified investments and grants totaling \$56 million in this assessment area, which includes 12 new investments totaling \$56 million and 11 grants totaling \$47,000. This activity accounts for 54.7 percent of the bank’s total qualified investments in its assessment areas on a combined basis.

The table below details the institution’s qualified investments and grants by year and community development purpose.

Qualified Investments California Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2018	5	24,000	2	14,500	0	0	0	0	7	38,500
2019	5	17,490	0	0	0	0	0	0	5	17,490
2020	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>10</b>	<b>41,490</b>	<b>2</b>	<b>14,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>55,990</b>
Qualified Grants & Donations	2	4	6	36	3	7	0	0	11	47
<b>Total</b>	<b>12</b>	<b>41,494</b>	<b>8</b>	<b>14,536</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>56,037</b>
<i>Source: Bank Data</i>										

The following are notable examples of the bank’s qualified investment and grant activity:

- In 2018, the bank purchased a \$2 million MBS secured by a multi-family property in San Francisco, California. A majority of the units in this property were affordable to low- or moderate-income persons, which supports affordable housing in the assessment area.
- In 2019, the bank purchased a \$4 million MBS secured by a multi-family property in a moderate-income census tract in San Francisco, California. A majority of the units in this property were affordable for low- and moderate-income individuals, which supports the provision of affordable housing in the assessment area.

## **Responsiveness to Credit and Community Development Needs**

Amalgamated's qualified investments and donations exhibit good responsiveness to the credit and community development needs of the California assessment area. The bank's qualified investments mainly supported affordable housing and community services, which are demonstrated community development needs in the area.

## **Community Development Initiatives**

Amalgamated rarely uses complex investments to support community development initiatives. The bank's investments in the California assessment area are primarily MBS. Although the MBS investments helped promote affordable housing, they are not innovative or complex.

## **SERVICE TEST**

Amalgamated is rated "Low Satisfactory" in the Service Test for the California assessment area. The bank's adequate level of community development services primarily supports this conclusion.

## **Accessibility of Delivery Systems**

Given Amalgamated's single office location and the large geographic area it serves (five counties with 980 census tracts), delivery systems are accessible to limited portions of the assessment area. The following table illustrates the distribution of the bank's branches and ATMs by geography income level.

<b>Branch and ATM Distribution by Geography Income Level California Assessment Area</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	116	11.8	508,489	11.2	1	100.0	1	100.0
Moderate	208	21.2	978,490	21.6	0	0.0	0	0.0
Middle	300	30.6	1,498,937	33.1	0	0.0	0	0.0
Upper	339	34.6	1,520,788	33.6	0	0.0	0	0.0
NA	17	1.7	22,190	0.5	0	0.0	0	0.0
<b>Total</b>	<b>980</b>	<b>100.0</b>	<b>4,528,894</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

As shown in the table, Amalgamated operates one full-service branch and one ATM in a low-income census tract in the assessment area, which compares favorably to the demographics of those tracts. However, since Amalgamated maintains just one office in this assessment area, it has no locations in the moderate-income areas. Additionally, given the bank's single office location compared to the large number of census tracts it serves, delivery systems are accessible to limited portions of the assessment area. Although access to a physical location is limited, the bank offers other alternative delivery systems that provide access to its products and services for all

geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as access to the Allpoint ATM network.

### **Changes in Branch Locations**

To the extent changes have been made, Amalgamated's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Amalgamated did not open or close any branch in this area during the review period. However, as previously mentioned, Amalgamated acquired New Resource Bank in 2018. As part of the acquisition, Amalgamated obtained one branch in a low-income census tract in San Francisco County. After the acquisition, the branch began offering all of Amalgamated's products and services. The bank also operates an ATM on-site at the branch.

Because of the global pandemic, the California branch temporarily closed in 2020. The temporary closure had minimal impact on deposit customers, as all were able to conduct banking services on-line.

### **Reasonableness of Business Hours and Services**

Services and hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. As previously noted, the bank operates a single branch in a low-income census tract in the assessment area. The branch is open Monday through Friday from 9:00 a.m. to 5:00 p.m. The bank does not offer Saturday hours, as the branch primarily serves commercial customers.

As previously noted, the bank provides a variety of deposit products such as checking and savings accounts and CDs. The bank also offers a variety of loan products, including home mortgage loans, home equity loans, and commercial loans. Alternative banking services include telephone, online, and mobile banking, as well as access to one proprietary ATM and the Allpoint ATM network.

Lastly, as discussed previously, the bank offers a variety of other low-cost savings and checking accounts for bank customers throughout this assessment area, which are particularly beneficial for low- and moderate-income individuals. Refer to the overall Service Test section for details.

### **Community Development Services**

Amalgamated provides an adequate level of community development services within its California assessment area. During the evaluation period, bank employees engaged in 27 instances of community development service activities in this assessment area. The activities primarily focused on economic development.

The table below summarizes the bank's community development services by year and purpose.

Community Development Services California Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	0	13	0	13
2019	3	5	6	0	14
2020	0	0	0	0	0
YTD 2021	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>5</b>	<b>19</b>	<b>0</b>	<b>27</b>
<i>Source: Bank Data</i>					

The following is a sample of the bank's community development services that benefit the assessment area.

- In 2018 and 2019, a commercial banker taught two financial literacy classes focusing on growth strategies for small business owners.
- In 2019, a bank employee presented a financial workshop and evaluated two business plans for high school students in partnership with a local community organization. The organization focuses on supporting low-income youth in Alameda County, California.
- A first vice president of the bank served on the Board of Directors of a community services organization located in a moderate-income census tract in Contra Costa County, California. The officer's service and technical expertise helps the organization increase financial support for low- and moderate-income families.
- A first vice president of the bank served on the Board of Directors of a non-profit business development agency located in a moderate-income census tract in Contra Costa County, California. The officer's service and technical expertise helps the organization provide one-on-one financial consulting, loan packaging guidance, and start-up business support.



## **DISTRICT OF COLUMBIA**

### **CRA RATING FOR THE DISTRICT OF COLUMBIA: NEEDS TO IMPROVE**

**The Lending Test is rated: Needs to Improve**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: Low Satisfactory**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DISTRICT OF COLUMBIA**

Amalgamated operates one of its five branches (20.0 percent) and two of its nine ATMs (22.2 percent) in the District of Columbia assessment area.

This assessment area consists of three contiguous counties, including the District of Columbia, Prince George's, and Montgomery Counties. The District of Columbia and Prince George's Counties are in the Washington-Arlington-Alexandria, DC MD (#47894), while Montgomery County is located in the Frederick-Gaithersburg-Rockville MD (#23224). The assessment area is centered around the District of Columbia metropolitan area, and is situated entirely within the Washington-Arlington-Alexandria MSA. This assessment area has not changed since the previous evaluation.

The assessment area contains 612 census tracts, with income designations as follows:

- 102 low-income census tracts
- 164 moderate-income census tracts
- 174 middle-income census tracts
- 164 upper-income census tracts
- 8 census tracts with no income designation

#### **Economic and Demographic Data**

The table below provides select demographic characteristics of the District of Columbia assessment area.

Demographic Information District of Columbia Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	612	16.7	26.8	28.4	26.8	1.3
Population by Geography	2,558,159	15.1	25.2	30.7	27.8	1.1
Housing Units by Geography	1,016,122	15.4	24.7	30.1	28.8	0.9
Owner-Occupied Units by Geography	543,866	6.8	21.5	35.7	35.7	0.3
Occupied Rental Units by Geography	400,369	25.7	28.7	23.5	20.4	1.7
Vacant Units by Geography	71,887	23.1	26.8	25.5	23.6	1.0
Businesses by Geography	278,870	7.7	24.4	31.6	35.2	1.1
Farms by Geography	3,362	7.0	23.2	35.5	34.0	0.3
Family Distribution by Income Level	574,204	26.6	17.6	19.4	36.4	0.0
Household Distribution by Income Level	944,235	27.8	17.8	18.2	36.2	0.0
Median Family Income MSA - 3224 Frederick-Gaithersburg-Rockville, MD		\$112,655	Median Housing Value			\$407,860
Median Family Income MSA - 47894 Washington-Arlington-Alexandria, DC- VA-MD-WV		\$106,105	Median Gross Rent			\$1,460
			Families Below Poverty Level			7.4%
Source: 2015 ACS and 2020 D&B Data. Due to rounding, totals may not equal 100.0 percent. (*) The NA category consists of geographies that have not been assigned an income classification.						

The table above shows that the median housing value is significantly higher than the median family income across the assessment area. Therefore, lenders may find it challenging to make affordable housing loans. In addition, the 7.4 percent of families living below the poverty level also limits the pool of available borrowers, as families living below the poverty line are unlikely to qualify for conventional home mortgage loans.

The table below shows the median family income ranges for the MDs represented in the assessment area.

Median Family Income Ranges District of Columbia Assessment Area				
Frederick-Gaithersburg-Rockville, MD Median Family Income (23224)				
2019 (\$123,600)	<\$61,800	\$61,800 to <\$98,880	\$98,880 to <\$148,320	≥\$148,320
2020 (\$124,400)	<\$62,200	\$62,200 to <\$99,520	\$99,520 to <\$149,280	≥\$149,280
Silver Spring-Frederick-Rockville, MD MD Median Family Income (43524)				
2018 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440
Washington-Arlington-Alexandria, DC-VA-MD-WV MD Median Family Income (47894)				
2018 (\$114,900)	<\$57,450	\$57,450 to <\$91,920	\$91,920 to <\$137,880	≥\$137,880
2019 (\$114,700)	<\$57,350	\$57,350 to <\$91,760	\$91,760 to <\$137,640	≥\$137,640
2020 (\$118,700)	<\$59,350	\$59,350 to <\$94,960	\$94,960 to <\$142,440	≥\$142,440
Source: FFIEC				

According to 2020 D&B data, there were 278,870 businesses operating in the assessment area. The businesses had gross annual revenues (GARs) as follows:

- 87.5 percent had GARs of \$1 million or less
- 4.6 percent had GARs greater than \$1 million
- 7.9 percent did not report revenues

Service industries represented the greatest percentage of businesses in the assessment area at 45.6 percent, followed by non-classifiable establishments at 22.3 percent and retail trade at 8.2 percent. In addition, 60.9 percent of the businesses had four or fewer employees, and 91.1 percent operated out of a single location.

According to data obtained from Moody's Analytics, the top employers in the assessment area include MedStar Health, Marriott International, Innova Health System, Booz Allen Hamilton, and the University of Maryland, College Park.

The table below shows unemployment data for the assessment area and statewide area. According to the data obtained from the Bureau of Labor Statistics, the areas experienced significant increases in unemployment rates in 2020, primarily due to the effects of the COVID-19 pandemic.

<b>Unemployment Rates District of Columbia Assessment Area</b>			
<b>Area</b>	<b>November 2018</b>	<b>November 2019</b>	<b>November 2020</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Montgomery County	2.9	2.6	6.5
Prince George's County	3.7	3.4	9.0
District of Columbia	5.1	4.5	8.4
Maryland State	3.3	3.1	6.6
National Average	3.8	3.6	6.7
<i>Source: Bureau of Labor Statistics</i>			

## **Competition**

The assessment area is a moderately competitive market for financial services. According to FDIC Deposit Market Share data as of June 30, 2020, 39 financial institutions operated 632 offices within the bank's assessment area. Of these institutions, Amalgamated ranked thirteenth with a deposit market share of 1.6 percent.

Significant competition exists in the assessment area for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2019, 601 lenders reported 97,351 1-4 family loans originated or purchased totaling \$38 billion in the assessment area. Large national banks, including Wells Fargo Bank, N.A., Quicken Loans, and SunTrust Banks, Inc., dominate the assessment area. Collectively, these lenders represented 15.8 percent of all 1-4 family loan originations and purchases in 2019.

Significant competition also exists for small business loans within the area. According to 2019 aggregate data, 179 lenders reported 64,582 small business loans originated or purchased in the assessment area. The two most prominent small business lenders, American Express National Bank and JPMorgan Chase, accounted for 40.2 percent of total market share by number of loans.

### **Community Contact**

Examiners conducted a community contact interview with a representative from a fair housing organization serving this assessment area. The contact identified a need for more affordable housing developments for moderate-income and working class residents. The contact noted that housing costs in the area are high, but many low-income residents receive government housing assistance and are able to obtain housing. However, moderate-income individuals do not qualify for assistance and cannot afford the high market rents; therefore, they live in the surrounding areas. The contact indicated that down payment assistance and first-time homebuyer products would help draw moderate-income borrowers to the D.C. area.

Examiners also conducted a community contact with representatives of an affordable housing organization serving this assessment area. The contact identified a need for affordable housing units, but noted that there is limited opportunity in the area. The representative stated that drastic income inequality in the area has fueled the development of market rate housing, leaving a low supply of affordable housing for low- and moderate-income individuals. Although there is funding for affordable housing development in the area, the high cost of land makes it difficult to obtain land to develop new projects. Additionally, the representative noted that in the areas where a low- or moderate-income family may be able to afford a home, access to schools, transportation, and jobs are limited or less than desirable.

### **Credit and Community Development Needs and Opportunities**

Based on information gathered from the community contact, the bank, available economic data, and demographic data, examiners determined that credit and community development needs exist for affordable housing loans and small business loans, as well as low cost deposit products. Additionally, providing grants and lending capital to reputable non-profit groups would service identified credit and community development needs.

## **SCOPE OF EVALUATION – DISTRICT OF COLUMBIA**

Examiners used full-scope examination procedures to evaluate the bank's performance in the District of Columbia assessment area. Examiners reviewed 1-4 family lending and small business lending in this area, but placed the most weight on the bank's 1-4 family lending performance, which represented its primary product in the District of Columbia. Multi-family did not represent a primary product in the District of Columbia assessment area, and provided no material support for conclusions and ratings in this assessment area. Refer to the overall Scope of Evaluation for the institution for additional detail.

## **CONCLUSIONS ON PERFORMANCE CRITERIA IN DISTRICT OF COLUMBIA**

### **LENDING TEST**

Amalgamated is rated “Needs to Improve” in the Lending Test in the District of Columbia. The bank’s poor performance in the Geographic Distribution and Borrower Profile criteria primarily supports this conclusion.

#### **Lending Activity**

Amalgamated’s lending levels reflect adequate responsiveness to the credit needs of the District of Columbia assessment area. This conclusion considered the bank’s limited branch presence and its increasing 1-4 family lending in the assessment area.

Amalgamated’s primary product line in this assessment area is 1-4 family loans. The bank reported 22 1-4 family loans within the assessment area for \$15.2 million in 2018, 21 1-4 family loans totaling \$14 million in 2019, and 44 1-4 family loans for \$23.8 million in 2020. In 2019, Amalgamated ranked 258<sup>th</sup> out of 601 lenders that reported a 1-4 family loan origination or purchase in the assessment area, which represented a less than 0.1 percent market share.

Amalgamated also extends small business loans in this assessment area, though at a much lower volume than the 1-4 family loans. The bank originated or purchased three small business loans within the assessment area totaling \$2 million in 2018, one small business loan totaling \$1 million in 2019, and four small business loans totaling \$1.1 million in 2020. According to the 2019 aggregate small business loan data, Amalgamated ranked 125<sup>th</sup> out of 179 lenders that reported a small business loan origination or purchase in the assessment area, which represented a less than 0.1 percent market share.

#### **Geographic Distribution**

The geographic distribution of the bank’s lending activity reflects poor penetration throughout this assessment area. Examiners based this conclusion primarily on Amalgamated’s 1-4 family lending performance, since 1-4 family loans represent the bank’s most significant product line within this assessment area.

#### ***1-4 Family Loans***

The geographic distribution of 1-4 family loans reflects poor penetration throughout the assessment area. The following table details the geographic distribution of 1-4 family loans by tract income level.

Geographic Distribution of 1-4 Family Loans District of Columbia Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	6.8	9.3	2	9.1	1,627	10.7
2019	6.8	8.5	2	9.5	1,140	8.1
2020	6.8	--	3	6.8	1,178	4.9
Moderate						
2018	22.1	22.3	2	9.1	945	6.2
2019	21.5	21.3	0	0.0	0	0.0
2020	21.5	--	6	13.6	3,044	12.8
Middle						
2018	35.3	35.0	5	22.7	1,921	12.6
2019	35.7	35.4	6	28.6	4,221	30.1
2020	35.7	--	12	27.3	5,376	22.6
Upper						
2018	35.5	33.0	13	59.1	10,745	70.5
2019	35.7	34.3	12	57.1	8,345	59.6
2020	35.7	--	22	50.0	13,833	58.1
Not Available						
2018	0.3	0.4	0	0.0	0	0.0
2019	0.3	0.4	1	4.8	305	2.2
2020	0.3	--	1	2.3	390	1.6
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>15,239</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>14,011</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>--</b>	<b>44</b>	<b>100.0</b>	<b>23,820</b>	<b>100.0</b>

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

As shown in the table, the bank's performance in the low-income tracts in 2018 and 2019 exceeded the demographics and was similar to the aggregate performance. In 2020, lending in the low-income tracts increased by one loan, but decreased as a percentage of total loans to a level consistent with demographics. Notably, the low-income tracts account for a relatively low percentage of the area's owner-occupied housing units, which indicates the opportunities to make loans in those areas is much more limited. As a result, the bank's distribution of 1-4 family loans in the low-income tracts is adequate.

The bank's percentage of 1-4 family loans in the moderate-income census tracts in 2018, 2019, and 2020 was well below the demographics and the aggregate performance, as applicable. The bank originated just two 1-4 family loans in the moderate-income tracts in 2018, and no loans in 2019. Although the bank increased its lending in the moderate-income tracts in 2020, the lending as a

percentage of total loans was below demographics. The relatively high percentage of owner-occupied housing units in the moderate-income tracts and the aggregate performance level indicates that there were opportunities to make loans in those tracts. Given the level of opportunity and the bank's limited lending in the moderate-income tracts, its distribution of 1-4 family loans in those areas is poor.

### ***Small Business Loans***

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The table below details the distribution of small business loans by tract income level.

<b>Geographic Distribution of Small Business Loans District of Columbia Assessment Area</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>Aggregate Performance % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>Low</b>						
2018	7.3	6.4	0	0.0	0	0.0
2019	7.3	6.5	0	0.0	0	0.0
2020	7.7	--	0	0.0	0	0.0
<b>Moderate</b>						
2018	24.2	24.3	2	66.7	1,500	75.0
2019	24.0	24.2	1	100.0	1,000	100.0
2020	24.4	--	0	0.0	0	0.0
<b>Middle</b>						
2018	30.4	29.7	0	0.0	0	0.0
2019	31.4	30.2	0	0.0	0	0.0
2020	31.6	--	1	25.0	1,000	93.4
<b>Upper</b>						
2018	36.7	38.8	1	33.3	500	25.0
2019	36.1	38.2	0	0.0	0	0.0
2020	35.2	--	3	75.0	71	6.6
<b>Not Available</b>						
2018	1.3	0.7	0	0.0	0	0.0
2019	1.2	0.8	0	0.0	0	0.0
2020	1.1	--	0	0.0	0	0.0
<b>Totals</b>						
<b>2018</b>	<b>100.0</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>	<b>2,000</b>	<b>100.0</b>
<b>2019</b>	<b>100.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>1,000</b>	<b>100.0</b>
<b>2020</b>	<b>100.0</b>	<b>--</b>	<b>4</b>	<b>100.0</b>	<b>1,071</b>	<b>100.0</b>
<i>Source: 2018, 2019 &amp; 2020 D&amp;B Data; Bank Data; 2018 &amp; 2019 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

While the bank did not originate or purchase any small business loans in the low-income areas during the evaluation period, examiners noted that the bank's performance in the moderate-income areas exceeded the demographics and aggregate performance levels in 2018 and 2019. However, examiners placed little weight on this performance due to the low volume of lending.

### **Borrower Profile**

Amalgamated's distribution of borrowers reflects poor penetration among retail customers of different income levels and business customers of different size within this assessment area. Examiners primarily based this conclusion on the bank's 1-4 family lending performance, as 1-4 family loans represent the primary product line in this area.

#### ***1-4 Family Loans***

The distribution of borrowers reflects poor penetration of 1-4 family loans among retail customers of different income levels. Examiners focused on the percentage of 1-4 family loans made to low- and moderate-income borrowers, as detailed in the following table.



Distribution of 1-4 Family Loans by Borrower Income Level District of Columbia Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	26.6	10.4	0	0.0	0	0.0
2019	26.6	8.1	0	0.0	0	0.0
2020	26.6	--	0	0.0	0	0.0
Moderate						
2018	17.6	20.1	1	4.5	900	5.9
2019	17.6	19.5	3	14.3	953	6.8
2020	17.6	--	1	2.3	211	0.9
Middle						
2018	19.4	20.8	4	18.2	1,715	11.3
2019	19.4	21.0	3	14.3	1,858	13.3
2020	19.4	--	7	15.9	2,957	12.4
Upper						
2018	36.4	30.9	17	77.3	12,623	82.8
2019	36.4	32.3	15	71.4	11,200	79.9
2020	36.4	--	36	81.8	20,652	86.7
Not Available						
2018	0.0	17.9	0	0.0	0	0.0
2019	0.0	19.2	0	0.0	0	0.0
2020	0.0	--	0	0.0	0	0.0
Totals						
2018	100.0	100.0	22	100.0	15,239	100.0
2019	100.0	100.0	21	100.0	14,011	100.0
2020	100.0	--	44	100.0	23,820	100.0

Source: 2015 ACS; Bank Data, 2018 & 2019 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.

As shown in the table, the bank did not originate any 1-4 family loans to low-income borrowers in 2018, 2019, or 2020. The aggregate performance data suggests that there are opportunities for lenders to provide financing to low-income individuals in the assessment area. As a result, the bank's lending to low-income borrowers is poor.

The bank's percentage of 1-4 family home loans to moderate-income borrowers was consistently below the demographics and the aggregate performance data, as applicable. Therefore, the overall distribution of 1-4 family loans to moderate-income borrowers is poor.

### ***Small Business Loans***

The distribution of borrowers reflects very poor penetration of small business loans among business customers of different sizes. The bank did not originate any small business loans to businesses with GARs of \$1 million or less during the evaluation period.

### **Community Development Loans**

The bank made a relatively high level of community development loans in the assessment area. During the evaluation period, the bank originated 22 loans for \$93.1 million in the assessment area. These loans helped meet the assessment area's community development needs, as identified by the community contact. This activity level represents an increase since the prior evaluation, which reported 11 community development loans for approximately \$32.4 million. The following table illustrates the community development lending activity by year and purpose.

<b>Community Development Lending District of Columbia Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
2018	1	6,000	1	1,000	0	0	0	0	2	7,000
2019	5	28,850	3	3,050	0	0	0	0	8	31,900
2020	8	28,448	1	1,000	1	15,000	0	0	10	44,448
YTD 2021	2	9,714	0	0	0	0	0	0	2	9,714
<b>Total</b>	<b>15</b>	<b>73,012</b>	<b>5</b>	<b>5,050</b>	<b>1</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>93,062</b>
<i>Source: Bank Data</i>										

The following is a sample of community development loans that benefit the assessment area.

- In 2019, the bank originated an \$11.5 million loan to a LLC to refinance a 42-unit apartment building in a moderate-income census tract in Washington, DC. All units are part of the voucher tenancy program established by the District of Columbia Housing Authority's Housing Choice Voucher Program. This loan supports affordable housing for low- and moderate-income families in the assessment area.
- In 2020, the bank participated in a \$15 million loan program with a CDFI in Washington, DC. The CDFI promotes community development and economic development in DC's distressed and underserved communities. This loan supports economic development in distressed and underserved areas in the assessment area.

### **INVESTMENT TEST**

Amalgamated is rated "Low Satisfactory" in the Investment Test for the District of Columbia assessment area. Amalgamated's adequate level of qualified community development investments and grants primarily supports this conclusion.

## **Investment and Grant Activity**

Amalgamated has an adequate level of qualified community development investments and grants in its District of Columbia assessment area. During the evaluation period, Amalgamated reported 12 qualified investments and grants totaling \$10.6 million in this assessment area, which includes five new investments totaling \$10 million, one outstanding prior period investments with a current balance of \$472,000, and six grants totaling \$72,000. This activity accounts for 10.3 percent of the bank's total qualified investments in its assessment areas on a combined basis. This performance reflects a decrease in the number of qualified investments and grants since the previous evaluation, which reported 13 qualified investments totaling \$14.1 million and 23 donations totaling \$183,526.

The table below details the institution's qualified investments and grants by year and community development purpose.

<b>Qualified Investments District of Columbia Assessment Area</b>										
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	1	472	0	0	0	0	0	0	1	472
2018	0	0	0	0	0	0	0	0	0	0
2019	3	8,210	0	0	0	0	0	0	3	8,210
2020	2	1,800	0	0	0	0	0	0	2	1,800
YTD 2021	0	0	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>6</b>	<b>10,482</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>10,482</b>
Grants & Donations	0	0	5	71	1	1	0	0	6	72
<b>Total</b>	<b>6</b>	<b>10,482</b>	<b>5</b>	<b>71</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>10,554</b>
<i>Source: Bank Data</i>										

The following are notable examples of the bank's investment and grant activity:

- In 2018, the bank donated \$10,000 to a non-profit organization in Washington, DC that provides financial literacy training and education to low- and moderate-income children. This supports community services in the assessment area.
- In 2019, the bank purchased a \$4.5 million MBS secured by two multi-family properties in Washington, DC. These securities support affordable housing in the assessment area, as the majority of the units in these properties are affordable for low- and moderate-income individuals.
- In 2020, the bank purchased a \$4 million MBS secured by a multi-family property in Washington, DC. Since 20.0 percent of the units in the property were set-aside for low-income tenants, a pro-rata amount of the investment totaling \$800,000 supported affordable housing.

## **Responsiveness to Credit and Community Development Needs**

Amalgamated's qualified investments and donations exhibit adequate responsiveness to the credit and community development needs of the District of Columbia assessment area. The bank's qualified investments mainly supported affordable housing and economic development, which are demonstrated community development needs in the area.

## **Community Development Initiatives**

Amalgamated rarely uses complex investments to support community development initiatives. The bank's existing and new investments primarily include MBS. Although MBS investments help promote affordable housing, they are neither innovative nor complex.

## **SERVICE TEST**

Amalgamated is rated "Low Satisfactory" in the Service Test for the District of Columbia assessment area. Amalgamated's adequate level of community development services primarily supports this conclusion.

## **Accessibility of Delivery Systems**

Given Amalgamated's single office location and the large geographic area it serves (three counties with 612 census tracts), delivery systems are accessible to limited portions of the assessment area. The following table shows the distribution of the bank's branches and ATMs by tract income level.

<b>Branch and ATM Distribution by Geography Income Level District of Columbia Assessment Area</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Population</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	102	16.7	386,640	15.1	0	0.0	0	0.0
Moderate	164	26.8	645,645	25.2	1	100.0	2	100.0
Middle	174	28.4	784,512	30.7	0	0.0	0	0.0
Upper	164	26.8	712,336	27.8	0	0.0	0	0.0
NA	8	1.3	29,026	1.1	0	0.0	0	0.0
<b>Total</b>	<b>612</b>	<b>100.0</b>	<b>2,558,159</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<i>Source: 2015 ACS Data; Bank Data</i>								

As shown in the table, Amalgamated operates one full-service branch and two ATMs in a moderate-income census tract, which compares favorably to the demographics. However, since Amalgamated maintains just one office in this assessment area, it has no locations in the low-income areas. Additionally, given the bank's single office location compared to the large number of census tracts it serves, delivery systems are accessible to limited portions of the assessment area. Although access to physical locations is limited, the bank offers other alternative delivery systems that provide access to products and services for all geographies, including low- and moderate-income areas. These systems include online, mobile, and telephone banking, as well as access to the Allpoint ATM network.

### **Changes in Branch Locations**

Amalgamated did not open or close any branches in the assessment area. However, due to the pandemic, the District of Columbia branch has reduced hours and is open one day a week. This change had minimal impact on customers, as all were able to conduct banking services on-line.

### **Reasonableness of Business Hours and Services**

Services and hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. The bank's branch is open Monday through Friday from 9:00 a.m. to 5:00 p.m. The bank does not offer Saturday hours, as the branch primarily serves commercial customers.

Amalgamated provides a variety of deposit products such as checking and savings accounts and certificates of deposit. The bank also offers a variety of loan products, including home mortgage loans, home equity loans, and commercial loans. Alternative banking services include telephone, online, and mobile banking, as well as access to the bank's ATMs and the Allpoint ATM network.

As discussed previously, the bank offers a variety of other low-cost savings and checking accounts for bank customers throughout this assessment area, which are particularly beneficial for low- and moderate-income individuals. Refer to the Overall Service Test section for details.

### **Community Development Services**

Amalgamated provides an adequate level of community development services within the District of Columbia assessment area. During the evaluation period, bank employees engaged in 27 instances of community development service activities in this assessment area, including 15 in 2018, 11 in 2019, and 1 in 2020. This represents a slight increase from the 20 instances provided during the prior evaluation period. The activities focused entirely on community services.

The following are examples of the bank's community development services.

- In 2018 and 2019, one employee presented five financial literacy events at a community center located in a low-income census tract in the District of Columbia. The center provides services for the local community, including free meals for local youths.
- In 2019, one employee presented two financial literacy events on understanding credit and basic banking at a high school in Prince George's County, Maryland. A majority of the school's students receive free or reduced cost lunches, indicating that they are from low- and moderate-income families.
- A first vice president serves on the Audit and Advisory Committee of a national non-profit organization that works to improve the lives of low-income people. The officer's service and technical expertise helps the organization to advocate for public policies and programs that reduce poverty, improve the lives of poor people, and create economic security for low- and moderate-income families.

## **APPENDICES**

### **LARGE BANK PERFORMANCE CRITERIA**

#### **Lending Test**

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
  - i. The proportion of the bank's lending in the bank's assessment area(s);
  - ii. The dispersion of lending in the bank's assessment areas(s); and
  - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
  - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
  - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
  - iii. Small business and small farm loans by loan amount at origination; and
  - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

#### **Investment Test**

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

## **Service Test**

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

## SCOPE OF EVALUATION

Amalgamated Bank	
<b>Scope of Examination:</b> Full-scope reviews were performed on the following assessment areas within the noted rated area: Combined Assessment Area; New York California District of Columbia	
<b>Time Period Reviewed:</b>	01/22/2018 to 03/15/2021
<b>Products Reviewed:</b> 1-4 Family Mortgage Loans: 01/01/2018 to 12/31/2020 Multi-Family Loans: 01/01/2018 to 12/31/2020 Small Business Loans: 01/01/2018 to 12/31/2020	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
New York	Full-scope	None	None
California	Full-scope	None	None
District of Columbia	Full-scope	None	None

## SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
New York	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
California	Needs to Improve	High Satisfactory	Low Satisfactory	Needs to Improve
District of Columbia	Needs to Improve	Low Satisfactory	Low Satisfactory	Needs to Improve



## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Community Development:** For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

**Community Development Corporation (CDC):** A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

**Community Development Financial Institutions (CDFIs):** CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

**Community Development Loan:** A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
  - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
  - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

**Community Development Service:** A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Distressed Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Low Income Housing Tax Credit:** The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Micropolitan Statistical Area:** CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area** (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Investment Company (SBIC):** SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Underserved Middle-Income Nonmetropolitan Geographies:** A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.